

***How Generations and Gender Shape Demographic Change
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Federal Ministry for Family Affairs, Senior Citizens, Women and Youth
Germany

Statement delivered by

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Ladies and Gentlemen,

Sustainable Family Policy in Germany

In Germany, family policy is currently *en vogue* as evidenced by both media coverage and surveys. The attention and priority awarded to it have increased also because family policy has been innovatively linked to arguments of growth-oriented policy and demographic policy. A dip in growth over the next decades as a result of demographic trends can be either aggravated or cushioned by family policy.

Until 2007, the number of children – especially siblings – born in Germany was so small that the message was unmistakable. The higher qualified segments of the population, in particular, were most likely to be caught up in a trend to settle for a childless life. On the upside, satisfaction with one's own family and the general approval of the family as a living arrangement are greater now than in the preceding five decades.

Certainly, the lack of children in Germany is largely due to the fact that changes in the life circumstances of both women and men have been ignored or underrated for far too long. In addition, the majority of women want to work as continuously as possible. This is all the more true since a single income no longer guarantees a good standard of living.

Consequently, when it comes to benchmarking from which we have shied for too long, Germany does not do well enough.

There is much we can learn from successful countries and it is these that the Federal Government wants to use as a yardstick.

- We want to have higher birthrates.
- We want to improve the work-family balance.

- We want to reduce family poverty risks.
- We want to secure better nurturing and education for our children.

145 family and marriage-related measures are in place in Germany, totalling an annual 189 billion euros. We are scrutinising the effects and efficiency of government benefits – something which has hardly been done in the past (50 years).

In late 2006, the Federal Government set up a competence centre that employs novel methods to measure effects, compares them on an international basis and suggests changes.

It is unique in Europe, in that it systematically examines family-related services and benefits, using the results as a basis for an effects-oriented management of all family benefits. The Competence Centre is directed by the Federal Minister for Family Affairs, Senior Citizens, Women and Youth. It is composed of scientists who deal with family support from different perspectives.

A current focus of its work is the specific situation of families with more than one child. This type of family has markedly declined in Germany.

1. The new family policy in Germany is expected to ensure sustainability and safeguard finite resources.

Sustainability refers to the enabling of modern life plans (work-family balance). Sustainability means awarding particular attention to the development of human resources. Sustainability also involves ensuring demographic replacement rates.

2. In our view, the reconciliation of work and family life depends on the appropriate combination of political and corporate elements:
 - Effective financial support with due regard to incentives to work.
 - Needs-based, reliable and flexible day-care for children.
 - Shortest possible leaves from work in addition to family-oriented working conditions.
3. Cash benefits have been partly reorganised, the service infrastructure is to be extended and we are seeking to make the world of work more family-centred. With this three-pronged approach, we can provide options that are in line with the policy mix of infrastructure, time and money criteria that our advisers consider necessary.

The symbol of this paradigm change is the parental allowance that was introduced in 2007. In other countries, an income-related parental allowance (= 67 per cent of the net salary) successfully reduces family poverty. It eliminates the fear of economic difficulties immediately following the birth of a child and, in the case of low-income parents; it prevents them from slipping into a dependency on transfer benefits.

4. With respect to the infrastructure, we will create an additional number of 500,000 care places, in creches and with child-minders by 2013. This means that 35 % of all children under age three will be covered. In the extension of our targets, we have been particularly oriented towards the situations in Scandinavia and France.

The Federal Government will be permanently contributing a third of the billions of euros earmarked for investment and operating expenses, a contribution which will amount to four billion euros by 2013 alone.

Since February 2008, a programme which is half financed from public funds has been promoting corporate child-care schemes. Until now, approximately 4 % of companies have offered such services on their premises. We want to achieve a rate of at least 10%.

5. Moreover, since 2006, new regulations have allowed to deduct expenses for household-related services from one's taxable income and thus boost the incentives to make use of such services on a legal basis.
6. Renowned economic research institutes were able to prove that in Germany family-friendliness considerably increases the value-added potential and the economic strength and showed how to achieve this. Enterprises benefit from a more family-centred company policy by yields of up to 25 %.

The underlying reasons have meanwhile been identified:

- advantages in the competition for human resources,
- higher motivation and satisfaction,
- markedly less working time loss and
- increased quality of work.

7. Germany's new family policy involves strategic co-operation on a voluntary basis. Municipalities and businesses, associations and unions, churches and foundations co-operate with our ministry and undertake self-commitments. We call this co-operation the 'Alliance for Families'.

8. Many regions are meanwhile home to successful examples of intelligent co-operation for family-friendliness among local governments, business and entities responsible. This initiative by the Federal Government is called “local alliances for families”. It comprises approximately 470 local alliances for families in all parts of the country. It is also worthy of note that, in the meantime, the local alliances have been joined by around 4,000 companies.

Conclusion

In Germany, a new family policy has taken root in recent years. Its premises include, for good reason, employment opportunities, financial independence and the individual self-determination of women and men.

On the whole, people want to have more children (up from 1.7 to 2.1). It is no longer the case that less children are born each year; instead, the birth rate has increased from 1.33 (2006) to 1.45 (2007).

Many thanks for your attention!