

Gender Equality or Exclusive Emancipation? Current Reforms of German Family Policy

Rosine Dombrowski, Annette Henninger, Christine Wimbauer

Rosine Dombrowski, Dipl.-Soz.
Bismarckstr. 116
28203 Bremen
0421/ 706 473
Email: rosine@uni-bremen.de

Dr. Annette Henninger
Institut für Arbeitsmarkt-
und Berufsforschung
Regensburger Str. 104
90478 Nürnberg
Tel. 0911 / 179 5664
Email:
Annette.Henninger@iab.de

Dr. Christine Wimbauer
Institut für Arbeitsmarkt-
und Berufsforschung
Regensburger Str. 104
90478 Nürnberg
Tel. 0911 / 179 5660
Email:
Christine.Wimbauer@iab.de

Biographical notes

Dombrowski, Rosine, born in 1982; studied sociology at the University of Bremen; in 2007 a researcher in the Emmy Noether junior research group “Love, work, recognition” (“Liebe, Arbeit, Anerkennung“) (Institute of Sociology at the Friedrich-Alexander University of Erlangen-Nuremberg and the Institute for Employment Research, Nuremberg).

Main areas of research: labour-market and social policy, education and social inequality.

Henninger, Annette, born in 1966; Ph.D. in political science; was a researcher in several externally funded projects on arrangements of gainful employment and private life in the media industry. Since 2006 a member of the Emmy Noether junior research group “Love, work, recognition” (“Liebe, Arbeit, Anerkennung“) (Institute of Sociology at the Friedrich-Alexander University of Erlangen-Nuremberg and the Institute for Employment Research, Nuremberg).

Main areas of research: gainful employment, labour-market and social policy, political institutions, gender, intimate relationships.

Wimbauer, Christine, born in 1973; Ph.D. in sociology, 2000-2003 researcher at the Institute of Sociology at the LMU Munich. 2004-2005 Emmy Noether research fellowship at Yale University (USA). Since 2006 head of the Emmy Noether junior research group “Love, work, recognition” (“Liebe, Arbeit, Anerkennung“) (Institute of Sociology at the Friedrich-Alexander University of Erlangen-Nuremberg and the Institute for Employment Research, Nuremberg).

Main areas of research: social inequality, gender, intimate relationships, organisations, labour-market and social policy.

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Abstract in German

Der Beitrag fragt anhand des neuen Elternzeitgesetzes und der Diskussion um das Ehegattensplitting nach den Politikzielen und Inhalten dieser familienpolitischen Reformen sowie nach den zu erwartenden Folgen im Hinblick auf soziale Ungleichheiten. Abschließend wird diskutiert, ob sich in der Familienpolitik ein Leitbildwandel zum *adult worker model* vollzieht und welche geschlechterpolitischen Implikationen dies mit sich bringt. Ziele der Reformen sind mehr Geschlechtergleichheit, die Steigerung der Frauenerwerbstätigkeit sowie der Geburtenzahlen. Als Reformfolgen sind allerdings fortbestehende Geschlechterungleichheiten und eine Zunahme von Ungleichheiten zwischen besser und schlechter Verdienenden, also auch zwischen Frauen, zu erwarten. Damit deutet sich ein doppelter Paradigmenwechsel an: Familienpolitik entwickelt sich erstens von der Umverteilung zugunsten sozial schwacher Familien hin zur exklusiven Emanzipation besser verdienender Frauen; zweitens lässt sich eine Stärkung des *adult worker models* konstatieren. Allerdings wird in anderen Bereichen des Sozialrechts weiterhin am (modernisierten) Familienernährer-Modell festgehalten – mit ambivalenten Wirkungen hinsichtlich Geschlechtergleichheit.

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Abstract in English

The paper analyses the 2007 parental leave reform as well as the discussion about a reform of the joint taxation of couples in Germany. We look into the policy objectives behind these reforms, the content of the programmes and their expected consequences with regard to social inequalities. In our conclusion, we discuss whether these reforms can be regarded as a change of the gender regime towards an *adult worker model*, and if so, what consequences this has for gender relations. The main objectives of the reforms are more gender equality and an increase in women's labour market participation and fertility rates. It can be presumed, however, that they will not overcome existing inequalities between the sexes, but instead lead to growing inequalities between different income groups, i.e. also among women. Thus, the reforms point to a double paradigm shift: first, family policy is moving from redistribution towards an exclusive emancipation for women with higher incomes. Second, they strengthen elements of the adult worker model, while in other areas German social policy still clings to a (modernised) version of the male breadwinner model – with ambivalent consequences for gender equality.

Gender Equality or Exclusive Emancipation? Current Reforms of German Family Policy¹

1. Introduction: reform offensive in Germany's family policy

Germany was considered a conservative welfare state until only a few years ago (Esping-Andersen 1999) with at best a slightly modernised variant of the male breadwinner model and German family policy was confirmed as being “in considerable need of modernisation” (Gottschall 2002: 96). Currently, however, a virtual reform offensive can be observed in this field under a female Christian Democrat (CDU) family minister. It is some time since (western) German family policy has developed such dynamics, as it has been characterised by content-related and normative controversies between the major parties since the 1970s.

Already the coalition agreement between the Conservative Parties (Christian Democratic Union [CDU] and Christian Social Union [CSU]) and the Social Democratic Party (SPD) that was signed after the last election in 2005 focussed on family policy – with the issues of childcare and early childhood education, the reconciliation of work and family and improving the possibilities of offsetting childcare costs against tax. Since Ursula von der Leyen (CDU) took up office as Germany's Minister for Family Affairs, Senior Citizens, Women and Youth, there has been no end to the family-policy debates in the lower house of the German parliament, the *Bundestag*, and in the media: as of 1 January 2006 the tax deductibility of childcare costs was improved; in summer 2006 the secretary-general of the CDU, Pofalla, put out considerations regarding a reorganisation of the way in which married couples are taxed, which are to be put into concrete terms in autumn 2007. As of 1 January 2007 an income-dependent parenting benefit was introduced with two additional months of benefit for the partner. A reform of the child maintenance legislation, planned for June 2007, had to be postponed for constitutional reasons.² This reform was intended, in the case of divorce, to favour children who are entitled to maintenance at the expense of the divorced wife, who had previously been treated preferentially. Finally, since spring 2007 a fierce debate has been underway about the legal entitlement to a nursery place for small children, which was initiated by the family minister and is to be realised in 2013. “The dynamics are amazing” is the comment by Jens Schneider (2007) in the *Süddeutsche Zeitung*; he says it is “the attempt of a career changer to raise Germany's antiquated family policy to European level“.

¹ This article stems from the research project WI-2142/2-1 “Love, Work, and Recognition in Dual Career Couples” (head of project: Dr. Christine Wimbauer) (FAU Erlangen-Nürnberg) and the research project B6 „Couples, money and the process of individualization“ (head of project: Prof. Jutta Allmendinger Ph.D.), which is part of the SFB 536 “Reflexive Modernization” (LMU Munich). Both are founded by the Deutsche Forschungsgemeinschaft (DFG).

² The regulation which is currently valid grants divorced mothers entitlement to child maintenance for at least eight years, but unmarried mothers to only three years of entitlement. The reform, in which the CDU had pushed through the continuation of this unequal treatment, was to be adopted in the *Bundestag* in May 2007. This failed because of a judgment by the Federal Constitutional Court (*Bundesverfassungsgericht*) according to which divorced and unmarried mothers are to be treated equally in future with regard to child maintenance (1 BvL 9/04).

After a short review of family policy in the last decades (Section 2), on the basis of the reform of the parenting benefit and the discussion surrounding the joint taxation of couples this paper analyses the *policy objectives* behind these reforms and discussions, their *content*, and the *consequences* that are to be expected – with regard to inequalities between the sexes, especially with respect to the participation of men and women in gainful employment and in care work, and with respect to inequalities between women (Section 3). As (longer-run) implementation experiences are not yet available, we use available micro-simulation studies and country comparisons. Finally we discuss whether the reforms are leading to a change in the gender regime towards the *adult worker model* (Lewis 2002) and what gender-policy implications this has (Section 4).

The *key results* are that a turn towards the *adult worker model* can indeed be seen in the family-policy reform plans analysed; other policies, however, still cling to the male breadwinner model, thus counteracting this change. The change in the model is motivated by the *objectives* of accomplishing more *gender equality*, striving for an *increase in female labour force participation* and *fertility rates*. In particular the demographic framing of the reform debate is to be regarded as a novelty in German family policy. The expected *consequences of the reforms* point towards a *continued existence of social inequalities between the sexes* – and an *increase in inequalities between people earning more and those earning less*, in other words also *between women*. One could even speak of a further paradigm shift in family policy: away from redistribution in favour of socially weak families and towards the *exclusive emancipation* of women with higher incomes.

2. Family policy between familialisation and de-familialisation

Characterised by the traditional model of the male breadwinner, which has been at best tentatively modernised, (western) German family policy fluctuated over several decades between policies of de-familialisation which regard women as workers, and familialisation measures, which are accompanied by old or new dependencies on the family (Ostner 2006). A maze of financial transfers (cf. Rosenschon 2006 for an overview) accompanied by a lack of social services, which Esping-Andersen (1999: 63) considers characteristic of conservative welfare states, and the basing of social entitlements and taxation on the family are blamed for the institutional setting in Germany developing a re-traditionalising effect on the gender arrangements in couples especially after the birth of children (BMFSFJ 2006a: 156). It is only since the social-policy reforms of the red-green Federal government and the current reforms introduced by the coalition that a tentative change in the political models, seems to be emerging – which would mean an adjustment to social change and to the desires of young parents as regards employment patterns during the time when they are bringing up their family. For although the traditional male breadwinner model is very common especially in western Germany (across Germany, 52.3 percent of all couples with children under the age of six

live in this constellation), it is only in line with the wishes of less than six percent of all those affected (BMFSFJ 2005a: 299). What plays a decisive role in this respect is the increase in female labour force participation and the desire of many women for occupational fulfilment.

Since the 1970s, family policy has been characterised by content-related and normative controversies between the major political parties.³ Since the chancellorship of Helmut Schmidt (1974-1982) the SPD has supported a progressive definition of family (“a family is where there are children”), the equality of men and women and redistribution measures in favour of needy families. In 1979 maternity leave was introduced, providing working mothers with a release from work that went beyond the period of maternity protection. In contrast with this, the expansion of public childcare provision was pushed ahead only tentatively.

The CDU/CSU that came to power in 1983 favoured the “freedom to choose” between occupation and family in the sense of the three-phase model. In 1986 the Maternity Leave Act was superseded by the Federal Child-rearing Benefit Act (Bundeserziehungsgeldgesetz (BERzGG)), which granted a three-year period of maternity leave and child-rearing benefit for a period of two years; Gottschall (2002: 95) interprets both the child-rearing benefit and the taking into consideration of child-rearing and care when calculating pensions, which was introduced in 1992, as “enhancing the status of private care work”. The fact that both parents could receive this benefit can also be judged as a step towards gender equality. However, the two-year child-rearing benefit and the restriction of employment to 19 hours per week created incentives for mothers to withdraw from working life for a longer period or to reduce their working hours. In 1993 a legal entitlement to a half-day place in kindergarten for the over-threes was introduced; this and the German model of half-day schools do not permit both parents to work full-time, especially in western Germany, however (Gottschall 2002: 95). In eastern Germany, in contrast, the childcare infrastructure overall and the provision of nursery and full-time kindergarten places remain considerably better.

It was the red-green government which, on taking up office in 1998, wished to make gender equality into a ‘large social reform project’ again. Under Christine Bergmann as family minister (1998-2002) family-policy measures aimed at promoting the labour force participation of mothers and the participation of fathers in care work. These measures included the reorganisation of child-rearing leave into parental leave together with the introduction of a budget variant which made it possible to obtain a higher level of parenting allowance if the employment break was kept short, and in 2001 the introduction of a legal entitlement to work part-time. In the same year the counting of childcare periods towards old-age pension insurance was further improved. Family policy was therefore still oscillating between familialisation and de-familialisation.

³ For an overview of (western) German family policy since its beginnings in the 1950s, cf. Gerlach (2004), Bothfeld (2005) and Ostner (2006); for supplementary information on the women’s policies of the red-green coalition see Leitner (2005).

Under Renate Schmidt as family minister (2002-2005) a debate about “sustainable family policy” was triggered by a report by Bert Rürup and Sandra Gruescu (2003). Ostner (2006: 187f.) sees this as a shift towards an “employment policy which is orientated towards the child in social investment terms and is in this sense lasting”, which is now aimed more clearly than before at de-familialisation. In January 2005 the Law on the Expansion of Day Care for Children (Tagesbetreuungsausbaugesetz (TAG)) came into force, which provides for a needs-related expansion of childcare places for the under-threes; this was not linked with a legal entitlement to a nursery place, however.

These family-policy reforms were embedded in an extensive reorganisation of the German welfare state. Against the background of the reforms in social and family policy, a shift towards the *adult worker model* is being predicted for Germany too, or is even seen as having already taken place – not only by feminists (for example Leitner et al. 2004; Ostner 2006) but also by family law experts (Seiler 2006). The adult worker model demands that all adults who are capable of working, i.e. also mothers of small children, provide for their own livelihood and that of the members of their family by means of employment. As Jane Lewis (2002: 344f.) emphasises, however, people who take on care work are considerably disadvantaged in an increasingly individualised milieu that is oriented towards the independent provision of one’s own livelihood; care for others therefore remains a female task according to Lewis.

Leitner (2005) sees a class-specific bias in the red-green family policy: in her opinion the normative model of shared parenthood which is favoured by the red-green coalition opens up new options only for certain social groups due to the incentive structures of the parental allowance that was reformed in 2001 and the law on the expansion of day care for children (2005). As an egalitarian division of gainful employment and care work is associated with high costs compared with a traditional division of labour, Leitner suspects that only households in the upper income groups can afford this. In her opinion both mothers with low incomes and those with relatively high incomes are highly likely to combine parental leave with part-time employment – the former due to material need and the others due to interest in working. For mothers in the middle income groups, on the other hand, employment during their parenting time does not seem to be worthwhile. With regard to the reform of parenting benefit that is planned for the beginning of 2007, Ostner (2006: 188) suspects that freedom of choice in the sense of the option of discontinuing or reducing employment during or after parental leave will “depend more than ever on the individual financial possibilities of the household – and therefore paradoxically also on the partner’s income”.

These estimations were expressed before the new parenting benefit came into force and in addition the debates surrounding a reform of the way in which couples are taxed were not yet taken into consideration. Nonetheless the criticism makes us aware of the need to focus in particular on redistribu-

tion and gender equality when analysing the policy objectives behind these reforms and to assess the expected consequences with regard to social inequalities – both with regard to inequalities between the sexes, especially concerning participation in gainful employment and care work, and also with regard to inequalities between women.

3. Content, objectives and consequences of the current reforms

On the basis of an analysis of the legislation process and the political debates regarding the reform of parenting benefit (3.1) and regarding the planned reform of the way in which couples are taxed (3.2), the following sections explain what *content* the reforms have, what *policy objectives* of the major parties represented in the Bundestag are behind these reforms or reform discussions, and what *consequences* are to be expected.⁴ In addition to the policy objectives of reducing inequalities between the sexes by increasing the labour force participation of women and the participation of men in care work, which are striven for with the reform, the paper also looks at possible (new) inequalities between women. In addition the paper examines whether it is likely that the new regulations will lead to an increase in the fertility rate - an expectation which can be heard in the reform debate at times explicitly and at times implicitly.

3.1 Income-dependent parenting benefit

3.1.1 The situation before the reform

When the Federal Child-rearing Benefit Act (Bundesperziehungsgeldgesetz – (BERzGG)) was reformed in 2001 (cf. on this subject Bothfeld 2005) the term childcare leave was replaced by the term parenting time. *Parenting time* was still a maximum of three years, up to 12 months of which could be used in the period up to the child's eighth birthday. The revision made it possible for both parents to use parenting time simultaneously and increased to 30 the number of hours that could be worked per week without losing the benefit. During parenting time a previous employment relationship together with dismissal protection continues to exist. For the *child-rearing benefit* a *budget alternative* was introduced. Parents were now able to choose between the standard payment of € 300 per month up to the child's second birthday and the budget offer of a maximum of €450 per month up to the child's first birthday (§ 5 BERzGG). There was an *income ceiling* for the receipt of child-rearing benefit; if the income exceeded this ceiling, child-rearing benefit was not paid at all in the first six months of the child's life. From the seventh month onwards the income ceiling was

⁴ The introduction of a legal entitlement to a nursery place from 2013 onwards is a third relevant reform measure; due to the currently fierce controversies about entitlement to childcare and how it is to be financed and due to the low half-life of the proposals (as of July 2007), however, we concentrate on the two other reforms.

considerably lower, if the income exceeded this limit, the child-rearing benefit payment was reduced.⁵

3.1.2 Objectives of the reform and the form of the new parenting benefit

The grand coalition that has been governing Germany since 2005 took up the cause of a new reform of parental leave. In the coalition agreement of 11.11.2005 it says:

“We wish to promote the effective and lasting economic protection of families immediately after the birth of children by means of a parenting benefit in order to avoid income losses (income replacement function), to open up real choices between fathers and mothers as regards childcare and to promote the economic independence of both parents and the appropriate compensation of the opportunity costs” (CDU, CSU and SPD 2005: 117).

The main points of the reform are the conversion of parenting benefit from a transfer payment into an *earnings-replacement benefit*, the *restriction of the duration of receipt* of this benefit from 24 to 12 months and the introduction of two additional *months of parental leave for the partner*. When explaining the draft reform, the CDU/CSU and SPD put their objectives into concrete terms as follows:

“Parenting benefit provides parents who devote the first year of their baby’s life predominantly to caring for their child with help in safeguarding their livelihood. It is intended to help to prevent the present economic situation and future possibilities of services of general interest for these mothers and fathers from deteriorating due to their caring for their child themselves in the first months of its life. [...] Parenting benefit also strengthens parents permanently beyond this early phase. The basing of the benefit on the individual income is intended to help mothers and fathers to manage to safeguard their economic existence better and permanently without social security benefits as far as possible. [...] Parenting benefit is intended to guarantee men’s and women’s participation in work and family. Men’s opportunities for being active fathers should be improved and for women the return to working life should be facilitated” (Drucksache 16/1889, 20.06.2006: 15).

The intentions can be grouped into two subject areas: in *social policy* terms the reform strives to safeguard the existence of parents without social security benefits; in terms of *gender policy* it is intended to promote the employment of mothers and the participation of fathers in care work. For the first time a family-policy reform thus aims explicitly at fathers⁶ – a novelty for German family policy (Kolbe 2007). In this way the subject of the reconciliation of work and family is no longer geared only towards mothers, which could in turn have a positive effect on reducing discrimination against women in recruitment and promotion. Christel Humme (SPD) spoke to the German Bundestag along these lines:

“The reconciliation of family and work must not be the concern of women alone in the future. If more men participate in family work – and I hope that parenting benefit will lead to this – then changes will also result in the firms. Women will have more opportunities with regard to job applications and promotion. Men are more

⁵ In the first six months the taxable income of couples with one child had to be below €30,000, and that of single parents under €23,000, whereby maternity benefit was counted as income. After this the income ceiling fell to €16,500 and €13,500 respectively. For each further child the income limits rose by €3140. In the budget offer the income ceilings were lower.

⁶ Albeit, due to the 12:2 share of the months, not in the form of a 50:50 solution, which would have been more consistent in terms of equal opportunities policy.

likely to dare to take parental leave because they, too, are entitled to parenting benefit. We are then coming much closer to actual equal opportunities.” (PIPr 16/55 of 29.09.2006, 5374f.).

Another objective of the reform, which has a *demographic* motivation, is to provide incentives to raise the birth rates. This objective was not formulated explicitly as an aim in the legislation process but has been brought up repeatedly in discussions in the Bundestag (for example Plenary Protocol (PIPr) 16/40 of 22.06.2006: 3733f).

The main points of the reform cited above triggered off fierce political controversies, however, in some cases not only between but also within individual parties. Feelings ran high especially in the Free Democratic Party (FDP) and parts of the CDU/CSU about family minister von der Leyen’s plans to create incentives for fathers to make use of parenting benefit by means of the *partner months*. This was interpreted as an obligation for fathers to participate in childcare, which is exemplified by Peter Ramsauer (CSU) calling it ‘nappy changing training’ (Schneider 2006:1). The opposition parties criticised the social injustice of an earnings-replacement benefit and the low basic allowance (the Left Party [die Linke], the Green Party [Bündnis 90/die Grünen]) and the fact that a parallel expansion of the childcare infrastructure was being neglected (FDP, B90/Die Grünen) (PIPr 16/40 of 22.06.2006: 5356). The opposition therefore voted against the new law, which was passed with the votes of the governing majority and came into force on 1.1.2007 (BGBl of 11.12.2006). The *level* of the parenting benefit now amounts to 67 percent of the average net income earned in the 12 months prior to the birth. Incomes up to a maximum of €2700 per month are taken into account; the maximum amount of parenting benefit is therefore €1800.⁷ If employment is reduced after the birth, the income difference is taken as the basis for calculating the parenting benefit. People who did not work in the last 12 months receive a basic allowance of €300. In the case of multiple births, the parenting benefit rises by €300 per child (§2 para. 6 BEEG). For further children born within the subsequent 24 months there is a sibling bonus (§ 2 para. 4). Receipt of parenting benefit is limited to the first 14 months after the birth of the child, whereby one parent (in actual fact mainly the mother) can receive parenting benefit for a maximum of 12 months. The other parent is entitled to two additional *partner months*; single parents can draw parenting benefit for 14 months. If both parents draw parenting benefit at the same time, the benefit payment duration is reduced (§ 4 para. 2). The duration of benefit receipt can be extended to a maximum of 28 months, in which case the monthly payments are halved (§ 6 para. 2 BEEG).

3.1.3 Expected effects of the reform

Utilisation by fathers

⁷ Maternity benefit as well as earning-replacement benefits or maintenance payments are taken into account here (§11 BEEG). If the average income is below €1000 per month, the percentage is raised by 0.1 percent for every €2 by which the income is below the €1000 limit.

According to data from the Federal Statistical Office the utilisation of parenting benefit by fathers increased to 7 percent in the first quarter of 2007; in the comparable period of the previous year the figure was only 3.5 percent.⁸ However, almost half of these 7 percent limited their benefit receipt to two months; furthermore it could simply be a short-term increase. As no solid data are available yet, surveys and forecasts are used to assess the effects of the reform.

In order to assess the chances of an increase in the utilisation of parenting benefit by fathers, the Federal Ministry for Family Affairs, Senior Citizens, Women and Youth first commissioned a study about the attitudes of men aged between 16 and 44 as regards parental leave, parenting benefit and family-friendliness in the firm (Institut für Demoskopie Allensbach 2005). For 38 percent of the men interviewed who would like to have a child (or another child), an income-dependent parenting benefit would be an incentive to take parental leave for a year; 18 percent considered taking parental leave for a few months (ibid.: 14). The most frequently cited reason (89 percent) for not taking parental leave in the past was that the income losses for the family are generally smaller if the mother stays at home. The second and third most frequent reasons were fear of occupational disadvantages (79 percent) and the wish to get on in their jobs (55 percent). Half of the respondents gave as a further reason the fact that they know this division of roles from their childhood (ibid.: 6).

The role expectations of men as the breadwinners, which accompany the male breadwinner model, therefore have a considerable influence on the use of parental leave by fathers and can presumably only be changed in the longer term. This does not only apply to the fathers themselves, but also to the firms: what is important for an increase in the use of parental leave by fathers is that phases of family care work are not perceived as a stigma in employees' biographies. However, many firms continue to respond in a very reserved manner to fathers participating in care work in the family (Prognos AG 2005).

The German Institute for Economic Research (DIW) was commissioned by the Federal Ministry for Family Affairs, Senior Citizens, Women and Youth to conduct another impact study in May 2004 (Büchner et al. 2006). The expected influence of parenting benefit on different family constellations was examined on the basis of micro-simulation models. The authors assume that in the future, too, it will be predominantly women who make use of parenting benefit. Although the generally higher income of the man is now remunerated with a correspondingly higher level of parenting benefit, the income loss for the household is still larger when the father draws parenting benefit than when the mother takes parental leave. Furthermore the authors doubt whether the two partner months will lead to a fundamental change in attitudes towards the gender-specific division of labour and pre-

⁸ www.destatis.de/jetspeed/portal/cms/Sites/destatis/Internet/DE/Presse/pm/2007/05/PD07__205__22922.psml; download on 19.6.2007.

sume that parental leave will be used by the father mainly in partnerships which are egalitarian anyway (Büchner et al. 2006: 37).

Owing to the experiences made in Scandinavia with the introduction of partner months, it is hoped that there will be an increase in the use of parental leave by fathers. In Finland and Denmark almost 10 percent of fathers take parental leave, in Sweden one in three fathers do so (Neyer et al. 2006) – whereby in Sweden the earnings-replacement benefit amounts to 80 percent of the previous wage and the provision of public childcare facilities is considerably better. It remains to be seen, however, whether an increase in the use of parental leave by fathers in Germany will ever reach the level in Sweden and whether it actually leads to fathers being more intensively involved in childcare work. In Sweden, for instance, in spite of the high (full-time) labour force participation of women and a relatively high level of use of parental leave by fathers, the double burden of work and family is still borne predominantly by mothers.

Labour force participation of mothers

In addition to promoting the participation of fathers in care work, another key aim of the reform is to promote the labour force participation of mothers. The problem with the previous child-rearing benefit as regards a rapid reintegration of mothers into working life was that it could only be fully exploited if employment was discontinued for two years. In this respect, the restriction of the benefit duration to one year now increases the incentive to return to work as quickly as possible. Although this limits the possible choices during and after parental leave, the return to working life is more promising and the family's independent economic existence is better protected in the longer term (Beblo 2006: 3).⁹ A more rapid return to work is also in line with the wishes of many women: today many couples organise their daily life on a relatively egalitarian basis; it is only with the transition to parenthood that traditional forms of the division of labour are taken up again. A study conducted by the Institute for Employment Research (IAB) in 2000 shows, for instance, that in western Germany 77 percent of mothers with children under the age of three are not in employment, though 63 percent would prefer to work part-time (Beckmann 2002).

A major problem when taking up employment again, however, is the lack of (high quality) childcare facilities for small children. In eastern Germany 50 percent of the under-threes were being cared for in a day-nursery or by a child minder in 2004. In western Germany this applied to only 10 percent of this age group (BMFSFJ 2005b: 3). Furthermore there is a lack of flexible opening hours, childcare for emergencies, full-day childcare and childcare for the school holidays. In addition the labour force participation of mothers with small children is made more difficult by the lack of jobs

⁹ In view of the possibility of doubling the duration of receipt of parenting benefit by halving the monthly payments, it ultimately remains up to the parents how they split up the parenting benefit (ibid.).

in many regions, by family-unfriendly hours of work and by the lack of suitable part-time jobs. What is needed to improve their labour market prospects is therefore not only an improvement in the labour market situation but also a quantitative and qualitative expansion of childcare provision and a family-friendly organisation of working hours and working conditions. The new parenting benefit is likely to change little with regard to these problems.

Finally the involvement of men and women in family care and work depends strongly on the distribution of traditional role images. Although more and more couples follow up egalitarian gender ideas, scepticism regarding the labour force participation of mothers with small children is still widespread, especially in western Germany. In one study, for instance, more than two thirds of the western German men interviewed were of the opinion that the labour force participation of mothers had a negative effect on their children's wellbeing. 56 percent of the women (in western Germany) agreed with this; in eastern Germany this opinion is far more rare (men: 35 percent, women 23 percent). The effects of mothers working are assessed less negatively the higher the respondent's educational level is and the lower his/her age (BMFSFJ 2005a: 295).

Distribution effects

Whilst child-rearing benefit served primarily to balance out social inequalities, different emphases can be identified for parenting benefit (Farahat et al. 2006: 985). Because the level of parenting benefit increases with the income level, it is above all working parents from the middle and upper income groups that benefit. The circle of claimants has also grown enormously as a result of the upper income ceiling being eliminated: parents who would previously not have been entitled to child-rearing benefit due to their high incomes now receive the maximum parenting benefit of € 1800. Parents with no income or only a small income are disadvantaged by the reform, however. Previously, low-income parents could receive €300 per month for 24 months, a total of €7200. Now they receive a monthly minimum payment of €300 for 12 months, a total of €3600, which is only half as much as before. For low-wage earners with a net income below €1000 the parenting benefit is increased in accordance with § 2 para. 2 of the Law on Parenting Benefit and Parenting Time (BEEG), but the total amount of €7200 which would be equivalent to child-rearing benefit is only achieved from a net income of about €760. Finally the situation of single parents and their children is also likely to deteriorate: more than 50 percent of poor children live in a single-mother household; child poverty therefore often means mother poverty (BMAS 2004: 70). The low basic allowance does not help to improve this precarious situation.

The parenting benefit therefore provides advantages first and foremost for parents with medium and high incomes, whilst parents with low incomes or none at all do not benefit from the new regulation. This is politically intended, as is made clear by a press release from the Federal Ministry for Family Affairs, Senior Citizens, Women and Youth (BMFSFJ) of 11th May 2006:

“In contrast to social assistance or unemployment benefit II, parenting benefit is not a state welfare benefit. It stands for a change of perspective in family policy. Parenting benefit thus goes beyond the principle of need and is oriented towards earnings replacement. The need of families which are dependent on state benefits is sufficiently covered in the welfare system by unemployment benefit II, welfare payments for children or social assistance. The discontinuation of child-rearing benefit does not mean falling below the social limit of need. It is more the case that the necessary minimum gaps to earned income are maintained and positive incentives to take up gainful employment are created” (BMFSFJ 2006b).

What is problematic in such an orientation of family policy towards the active integration into the labour market of *all people who are capable of work* is, however, firstly the lack of jobs and secondly the frequent incompatibility of employment and the care of small children. In this respect the cited “positive incentives to take up gainful employment” contain an element of *workfare* for the needy without guaranteeing the basic conditions for it. Raising the basic allowance to a socially acceptable amount would have been more effective for the lower income groups (Beblo 2006:1) and could have helped to balance out existing social inequalities instead of creating new ones.

Raising the birth rate

For some time the demographic issue of declining birth rates and an ageing population has been receiving increased attention and gaining political relevance not least because it calls into question the ability to finance the social security systems. The fertility rate has stood at 1.36 births per woman for some years now (Perspektive Deutschland 2005/06: 82). In public debate, especially female graduates have been called “objectors to childbearing”; 40 percent of female graduates allegedly remain childless. Although this figure has been corrected in the meantime,¹⁰ female graduates do have fewer children (an average of 1.3) than women with lower qualifications (1.7) (Perspektive Deutschland 2005/06: 82f.). On the whole some 20 percent of all German women remain permanently childless, though the decline in the birth figures is attributed less to this and more to the decline in the number of families with more than one child (BMFSFJ 2006a: 19).

Attempts are now being made politically to halt the decline in the population figures by means of material incentives. As the entire society benefits from parents’ investment in their children, it appears legitimate to support the raising of children. In accordance with this, at the consultation in the German parliament regarding the draft bill on the introduction of parenting benefit Ole Schröder from the CDU/CSU party cited as the objective of parenting benefit:

“Parenting benefit and the higher tax deductibility are important elements with which we as a grand coalition can respond to the challenges of demographic development. [...] A higher birth rate is essential to safeguard our social system, which is based on solidarity and on the principle of the inter-generation contract (PIPr 16/40 of 22.06.2006: 3733f.).

Studies conducted in Great Britain show, however, that raising benefits which support families did not lead to an increase in the birth rate there but led only to a reduction in the age when women

¹⁰ Because female graduates do not have children until later in life, the share of childless female graduates falls to 30 percent if women over the age of 39 are also taken into account (Schwentker 2006).

have their first child (Büchner et al. 2006: 33f.). In all the Nordic countries apart from Sweden the introduction of an income-related parenting benefit with approximate income replacement rates increased the propensity to have a *second* child, however (Neyer et al. 2006: 225). For this reason the hope is cherished in Germany that the introduction of parenting benefit will have a positive effect on the birth figures here, too.

At the present time (July 2007) no solid data are available yet about the change in the birth figures since January 2007;¹¹ presumably the effects differ between the different groups: on the one hand an income-dependent parenting benefit is more attractive for women with higher qualifications and therefore also generally higher incomes; the earnings-replacement function of parenting benefit should reinforce this group in their decisions to become parents. On the other hand the new regulation gives other groups (for example students and trainees) an incentive to delay starting a family until they are integrated into the labour market. Finally, it has frequently been observed that women with low qualification levels plan parenthood in periods with poor labour market prospects when the opportunity costs are lower and labour market alternatives are poor. The shorter duration of receipt of parenting benefit now puts precisely these women in a worse position financially. It could be presumed that the children of socially weak families are considered less worthy of support than others – in a way a kind of *social selection* (Farahat et al. 2006) in favour of the more highly skilled who are considered ‘worthy of childbearing’.

It is uncertain, however, whether the decision to have children or not can be put down mainly to financial reasons. Furthermore it is not so much individual family-policy measures that have an effect on the fertility action of women and men but more the cumulative effect of a policy-mix of labour-market, family and social policy (Dackweiler 2006). What is decisive in addition to financial support is in particular the possibilities to reconcile work and family, in other words a needs-related provision of childcare facilities in combination with family-friendly working hours and possibilities to return to the labour market (Rürup/Gruescu 2003: 76). The labour market situation, which remains poor, and the high demands regarding flexibility and readiness to work have, however, resulted in individuals often deciding not to have a family or postponing parenthood, as it is often only possible to carry out a family care period and employment one after the other instead of synchronologically. Allmendinger and Dressel (2005) therefore plead for a new life-course policy, with the ‘rectification of life’s rush-hour’, and in the Seventh Family Report there are demands for a triad of time policy, monetary policy and infrastructure policy in order to better support families (BMFSFJ 2006a: 3).

¹¹ In some German towns the birth rates rose slightly in January 2007. However, in December the figures were below those of the previous year, which suggests a delay effect (Berth 2007).

3.2 Reform of the income splitting system for the taxation of married couples

3.2.1 Initial situation

Income splitting was introduced in 1958 as part of the system of child benefits and allowances to equalise the financial burden on families and was in keeping with the strong *male breadwinner model* that was prevalent at that time and which is based on an asymmetrical trade-off: the family is safeguarded economically by the husband's gainful employment, while the woman is responsible for the private reproduction work. Accordingly income splitting assumes that the spouses form an earnings and consumption community in which each spouse shares the income and the burdens of the other. By means of the income splitting procedure the breadwinner can offset his maintenance obligation towards his wife against taxes (Berghahn 2004: 108); furthermore the progression disadvantage for spouses compared with non-married people should be balanced out, and married couples with the same economic power should also be taxed in the same way. According to the court decision of the Federal Constitutional Court, income splitting complies with the

“principle of taxation according to productive capacity. It assumes that married couples who live together form an earnings and consumption community in which one spouse shares half of the income and half of the burdens of the other spouse in economic terms. [...] In this way income splitting takes up the economic reality of the intact average marriage in which taxable capacity is transferred between the partners” (BVerfG 1982, quoted by Scherf 2006).

Income splitting is a procedure used to calculate the income tax of married couples who are assessed jointly for taxes:¹² the spouses' taxable incomes are added together to form a joint income, which is then halved (split). Income tax is then calculated for this halved amount in accordance with the valid income tax scale and is then doubled; which means that the spouses' taxable income is shared equally between the two partners and taxed at a rate which balances out the differences in the incomes and is lower than it would be if the spouses were taxed individually. The greater the income difference between the spouses is, the larger is the splitting advantage due to the tax progression. The largest possible splitting advantage results when one of the spouses is the sole wage earner; double-earner couples with two equally high incomes do not benefit from income splitting. In view of the changes in social conditions – above all the change in the family, the desire for egalitarian partnerships, and changes in the employment patterns of women – most European countries have replaced the joint taxation of married couples with an individualised tax system since the mid-1970s. Pure income splitting can now only be found in Germany and Portugal, whilst in France a family income splitting procedure is used (Dingeldey 2000: 16). Yet here in Germany, too, the financial support of the traditional male breadwinner model is currently moving more and more into the focus of social controversies.

One key point of criticism is that income splitting does not support families primarily but the male breadwinner model in so far as it does not start out from the existence of *children* but from mar-

¹² Married couples can also opt to be taxed separately.

riage. Although 90 percent of the splitting volume benefits married couples with children according to estimates based on the Socio-Economic Panel (SOEP), this figure also includes households in which the children have already left home (Bach/Buslei 2003: 347). According to Spangenberg (2005: 23f) only a third of the tax relief volume in 2003 benefited marital families; lone parents and unmarried parents – which after all comprise a quarter of all parent-child communities – are excluded from this tax relief anyway.¹³ On the whole there is a large discrepancy between fiscal law and social law in the way that marital and non-marital families with children are assessed (Berghahn/Wersig 2005). Furthermore families with higher incomes benefit more than families with low incomes. Finally the special burden of families with a lot of children is not supported, as the splitting advantage is not influenced by the number of children.

In the reform debate the *gender-specific* effect of income splitting is also of importance. As the splitting advantage increases along with the difference between the partners' incomes, the traditional male breadwinner constellation is supported and not the employment and economic independence of women: as soon as the second income exceeds the amount above which the employee becomes eligible for social security contributions, this has clear tax disadvantages. It is generally the women who reduce their employment or even give up working altogether (BMFSFJ 2005a: 128). Thus the labour force participation rate of married women, at 68 percent, is 10 percentage points lower than that of single women (BMFSFJ 2005a: 119), whereas the opposite effect can be observed for men: the labour force participation rate of married men is, at 88 percent, 13 percentage points higher than that of single men. Marginal part-time employment, too, is very widespread among married women: in 2003 two thirds of all employees in marginal part-time employment were women, three quarters of them married (Spangenberg 2005: 27). Wives who do not work during or after parental leave or only work in a marginal part-time job are, however, largely only protected socially via the entitlements derived from their husbands and are therefore dependent on their husbands' employment status and employment history.

Although income splitting is not solely responsible for the low labour force participation of wives, in combination with derived social rights, the lack of possibilities to reconcile employment and family, unequal opportunities in working life and gender-specific wage differentials, it nonetheless develops a detrimental effect on equal opportunities for men and women. Against this background, gender-sensitive research into the welfare state looks into the question of whether income splitting can be regarded as indirect discrimination (Berghahn 2004: 120). The employment-policy guidelines of the EU, too, place Germany under an obligation to examine its fiscal and social systems in order to raise the labour force participation of women (Spangenberg 2005: 35).

¹³ There is the tax relief according to § 24b of the Income Tax Law (EstG) for lone parents, but the highest possible tax relief effect per year amounts to €549, which is below the average tax relief effect for marital families with a medium income (ibid.: 24).

3.2.2 *Competing objectives and reform proposals*

In the coalition agreement of 2005 only a reform of the tax brackets was announced (CDU, CSU und SPD 2005: 84), for which the Federal Ministry of Finance presented first proposals in May 2007.¹⁴ The first impetus for a reform of income splitting in the current legislative period came from the Green party (B90/Die Grünen), who in April 2006 made a request once again in the Bundestag for an individual taxation with a transferable basic tax-free allowance (Drs 16/1152 of 05.04.2006),¹⁵ which should also be applied to registered permanent partnerships.

In this way the Green party deviates from the concept of *pure individual taxation*, which would tax every person liable to income tax individually according to their income level with a personal basic tax-free allowance equivalent to the subsistence level of €7664. As this does not take into account the obligations of spouses to provide maintenance for each other, which result from the social-law obligation to assume responsibility for family members, such a reform could not be implemented for constitutional and fiscal-law reasons (Spangenberg 2005: 35). *Individual taxation with a transferable tax-free allowance*, on the other hand, provides the possibility of transferring to one's partner a tax-free allowance which is not fully exploited by one's own employment in order in this way to take into account reciprocal obligations to provide maintenance (Spangenberg 2005: 57). When giving the reasons for their request, the Green party argues that it is socially fair to restrict the tax advantages of income splitting for high-income households in this way; the additional tax revenue arising should be used to expand childcare provision (Drs 16/1152 of 05.04.2006). In the discussion of this request in the Bundestag, however, only the Left Party (Die Linke) came out in favour of individual taxation, combined with the demand for extending tax deductibility to cover other maintenance obligations (PIPr 16/37 of 01.06.2006: 3406).

A paper from the commission of political principles for family policy, which was presented by the secretary-general of the CDU, Pofalla, in summer 2006 triggered a cross-party debate about reforming income splitting for the taxation of married couples. This paper proposed transforming income splitting into *family tax splitting* in order to support families with children more specifically. Parts of the CDU – including family minister Ursula von der Leyen – approve this concept which is disputed within the coalition, however: the majority of the CSU continues to prefer income splitting for married couples and uses the constitutional-law argument of the protection of marriage as a task of the state. The SPD criticises family tax splitting as being socially unfair as it favours families with top incomes and puts a burden on all taxpayers and families as a result of shortfalls in tax revenues (Pache/Sosalla 2007). Concrete concepts for family tax splitting can be expected in au-

¹⁴ According to this, tax allowances should be allocated proportionally to both spouses in future (Bovensiepen 2007).

¹⁵ The Green Party had requested a switch to individual taxation as early as 1995 (Drs. 13/936 of 28.03.1995).

tumn 2007 at the earliest; different variants are currently being discussed which are explained in the following.

Family tax scale splitting ('*Familientarifsplitting*') is an extension of income splitting for married couples, in which the spouses are assessed for tax jointly with their children. If each child is calculated like the parents with splitting factor one, it is known as *full family splitting* (Steiner/Wrohlich 2006: 442). Here a distinction is made between a model *with no limit on the maximum splitting advantage* for children and the model which *restricts the splitting advantage* to €2500 per child (Steiner/Wrohlich 2006: 444). If the children are counted with a splitting factor of less than one, then this is known as *partial splitting*. Here the concepts diverge as regards the appropriate size of the divisor for children between 0.3 and 0.8. There are also models which contain a divisor that increases with the number of children or falls with the level of the family income (Spangenberg 2005: 63).

Currently the *French-type family tax splitting* is very popular. This allocates each spouse the splitting factor 1 and calculates the first and second child with the factor of 0.5. In order to do justice to the special burden of families with a lot of children, a splitting factor of 1 is applied for the third and every subsequent child. Single parents are given the factor 1.5. The splitting advantage is limited: the maximum amount for the first two children is €2159, and €4318 from the third child onwards. In addition a child benefit is paid which is lower than that in Germany (Steiner/Wrohlich 2006: 442f.).

Unlike with family tax scale splitting, in *family real tax splitting* ('*Familienrealsplitting*'), various models of which are being discussed, parents and children are not interpreted as an earnings and economic community but as a maintenance community. The household income is not divided by means of a splitting divisor but in accordance with the maintenance-law obligations between the members of the family and is then taxed. This variant could also be applied to non-marital families (Spangenberg 2005: 65).

3.2.3 Expected effects of the reform

Apart from specific tax relief for families, a reform of income splitting for married couples is associated with the expectation of increasing the labour force participation of (married) women by improving incentives for them to work (Spangenberg 2005: 28). In the following analysis of the expected effects of the reform, we refer to reports concerning the reorientation of the taxation of married couples and to the results of model calculations. One key challenge for family policy is combating family and child poverty; a central criterion for assessing the proposals for reforming income splitting is therefore the expected *distribution effects* of the reform. Another criterion is the impact that can be expected on the *labour force participation* of women, especially of *mothers*.

Distribution effects

The distribution effects that the reform models currently under discussion may have on different family constellations and income groups vary considerably in some cases.

According to Spangenberg (2005: 58f), the tax relief effect for higher income groups would be lower under *individual taxation with a transferable basic tax-free allowance* than in the case of income splitting for married couples, as the progression does not level off. In single-earner marriages the tax burden increases if the income exceeds the double basic tax-free allowance; below this limit the income remains tax-free. In the case of double-earner families in which both partners earn more than the basic tax-free allowance the model has the same effect as pure individual taxation. The financial burden due to children is not taken into account in this model; Spangenberg assumes, however, that for families in the middle income groups an increase in the tax liability increases the relief effect of tax allowances for dependent children, thus partially balancing out the loss of the splitting advantage.

Supporting families from a tax point of view by means of *family tax splitting* is problematic in so far as it does not reach families with low incomes or no income but higher income groups especially benefit from it. Various authors reach the concurring result that financial relief would only be achieved for couples with very high incomes (Althammer 2000; Baclet et al. 2005; Beblo et al. 2003; Bergs et al. 2006; Steiner/Wrohlich 2006), although the distribution effects vary somewhat in the individual variants of family tax splitting.

Partial splitting as used in France provides no improvements compared with the status quo for marital families from the lower and middle income groups. Single parents in the lower income groups would not benefit either. It is only from the third child onwards that the splitting advantage increases with the income level, because then the splitting divisor and the maximum splitting advantage are twice as high as for the first and second children. Therefore only couples with high incomes and three or more children and single parents with at least a medium income would gain anything (Baclet et al. 2005; Steiner/Wrohlich 2006).

Full family splitting would also bring no advantages for couples in the lower income groups as compared with income splitting for married couples combined with child benefit or tax allowances for children. Only from a medium income upwards does the splitting advantage increase above the current level.¹⁶ Without a limit it rises progressively with the household income level; for an annual income of €120,000 it would amount to €4400. If the splitting advantage is restricted to €2500 the

¹⁶ For instance a family with two children and an income of €25,000 would have a tax liability of €1294 in the case of full family splitting, and €0 according to the current income splitting for married couples. A family with two children and an income of €95,000 would receive a tax break amounting to €4086 (Deutscher Juristinnenbund 2006: 9f).

maximum tax relief would be €652; this is reached with an annual income of about €46,000 (Steiner/Wrohlich 2006: 444).

In so far as it is an extension of income splitting for married couples, family tax splitting results in a consolidation of the problems with this form of taxation that were mentioned above. One weakness of the variants of family tax splitting which are currently under discussion is the exclusion of non-marital families from this form of family support. Furthermore the higher income levels would be reached selectively and here financial incentives would be created for families with several children – this too therefore suggests chances of an *exclusive emancipation* for higher earners. The different variants of family tax splitting are also not suitable to combat child poverty. In order to prevent families with lower incomes being put in a worse position due to family tax splitting it would be necessary to create supplementary benefits for instance by increasing direct child-related benefits. At the same time, family tax splitting leads to tax revenue losses, which raises the question as to how such a project should be financed (Bergs et al. 2006: 20).

Labour force participation of mothers

It is difficult to say what effect a reform of income splitting would have on the female labour force participation rate, for what is decisive here is not only the financial aspects but also in particular problems associated with the reconciliation of family and work and the supply of labour. Whereas a switch to *individual taxation* would be expected to have clear labour supply effects (Spangenberg 2005: 28, Steiner/Wrohlich 2006: 21), studies that have used micro-simulation models to analyse the effects of *family tax splitting* on the labour force behaviour of women come to the conclusion that at best a slight expansion of the female labour supply will be achieved (Bach et al. 2004; Bergs et al. 2006: 17ff; Steiner/Wrohlich 2006: 447ff.). The largest increase in female labour participation can be expected with *full family tax splitting without a ceiling*, as the tax relief is strongest here. Steiner and Wrohlich (2006: 447f), for instance, predict a 0.8 percent increase in the labour supply of married women and a 0.2 percent increase for single mothers – a total of about 60,000 additional working women. In the case of *full family tax splitting with ceilings*, an additional labour supply of about 25,000 women could be expected. With a French-type *partial splitting*, the effects on women's employment behaviour are lowest, with only 6000 additional women. With the *real splitting model* on the other hand the labour force participation especially of women in higher income groups could rise more than with tax scale splitting ('Familiendarifsplitting') due to a reduction in the implicit marginal tax rates; furthermore a higher level of labour market participation would be expected above all in western Germany (Bergs et al. 2006).

The expected labour supply effects of all the splitting models would occur predominantly in the upper part of the income distribution because up to now it has been mainly women with husbands

with very high incomes that do not take up employment due to financial considerations. Mothers are expected to be more likely to offer labour since the situation of married women without children hardly changes or does not change at all with family tax splitting.

The introduction of *family tax splitting* in the variants currently being discussed can therefore not overcome the weak points of income splitting for married couples as regards family and equal opportunities policy – its concentration on supporting marriage instead of families and the incentive for married mothers to discontinue their employment temporarily or permanently. Similarly to the case of the new law on parental benefit, this reform would create financial improvements and incentives to have children above all for married parents in higher income groups, whilst there would be no improvements and in some cases even worse situations for low-earners and non-marital families. A rejection of the male breadwinner model, an increase in female employment and more equality between the sexes could better be realised by means of *individual taxation* (with a transferable basic tax-free allowance). In order to avoid putting families in a worse situation financially it would be necessary to combine this measure with an increase in child-related benefits and services, in particular with an increase in child benefit and the expansion of childcare provision (Spangenberg 2005: 67).

4. Germany on its way to an adult worker model?

Against the background of the current debate on the change of the welfare state towards an activating welfare state, Jane Lewis (2002) formulated her thesis of a paradigm shift towards the *adult worker* norm according to which all adults who are potentially capable of working should be integrated into the labour market. This corresponds with the changes in the welfare-state objectives and modes of governance that have been diagnosed in research into the welfare state since the mid-1990s. These changes envisage independence from welfare-state benefits by means of independent economic protection through gainful employment. This readjustment of social-policy objectives in Germany was already at the centre of the far-reaching reforms in labour-market policy and in unemployment assistance, but in the course of the reform plans analysed here, especially the new parenting benefit, it is now possible to see a (partial) shift towards the *adult worker model* in family policy, too. This change is counteracted, however, by persistence tendencies in other areas.

The shift towards the *adult worker model* is motivated in particular by the *aims* of *increasing female employment* and the *birth rate*; and in addition also accomplishing more *gender equality*. In accordance with the *equal-opportunities policy objective* of the grand coalition's family policy, the new parenting benefit regulation strives to increase the labour force participation also of mothers with small children, and for the first time in Germany family policy actively addresses fathers as

carers, even though the two months of parenting benefit for fathers is still a long way from an equal division of the care work. The *social-policy objective* of the present family policy points in the same direction: the emphasis is now placed on parents securing their own livelihoods independently in the first years of their children's lives, which pushes back the previous family-policy objective of redistribution in favour of socially weaker families and replaces it with elements of *workfare*. The *demographic framing* of the reform debate can be regarded as a novelty in Germany's family policy (Ostner 2006: 179) and has so far scarcely been reflected in comparative research into the welfare state or in feminist debate (Kahlert 2006), although it is ambivalent to a considerable extent: on the one hand "the view that pronatalist objectives can not be translated into action without equal opportunities policy today has led to a policy shift", claims Wiebke Kolbe (2007: 88) with reference to the positive examples of France and Sweden, which are repeatedly mentioned in political debate. On the other hand, according to Regina Dackweiler (2006: 86), the discourse surrounding fertility has "class-discriminatory, pronatalist and nationalist" undertones: what is being striven for primarily, she says, is an increase in the number of children borne to highly educated women with German nationality. If this aim is already dubious in itself, then the plans to implement it are characterised by technocratic feasibility mania and a biologisation of fertility decisions, which disregard the complexity of welfare-state and cultural contexts.

The current family-policy reforms reinforce the trend towards *labour-market individualisation* which was already started in the reform of unemployment benefit and unemployment assistance. However, this shift in equal-opportunities policy was only supplemented subsequently by a debate about the expansion of the public infrastructure for the care of small children, the present state of which is regarded as the main cause of the low female labour force participation. Although in May 2007 the coalition committee agreed to expand childcare provision as was demanded by the SPD and the family minister, what is planned is to put into effect a legal entitlement to a nursery place for one in three children under the age of three by 2013. However, there is no telling whether the law can be passed as planned within the current legislative period, or whether, in view of the uncertainties regarding funding, it will peter out in the jungle of competencies between the federal and regional governments.

However, this model change in family policy is not linked *with a consistent individualisation* of social law and fiscal law. There marriage-centred and familialising elements are still clung to, which counteracts this change. In the case of the social security reform, the principle of subsidiarity is still referred to – more than ever in fact – where the obligation to assume responsibility for others is extended beyond marriage to include other forms of cohabitation 'similar to marriage' (Berghahn 2004). In addition, marriage-based, derived social entitlements in pension and health insurance continue to exist. A conversion of income splitting for married couples into family tax splitting would

also cling to the familialism of Germany's welfare regime; only the suggestion of individual taxation with a transferable basic tax-free allowance provides possibilities to overcome this. However, it appears to be doubtful whether this could be implemented politically.

Owing to this combination of labour market individualisation, continued deficits in public childcare provision and the communitisation of (married) couples in social law and fiscal law, a *specifically German variant of the adult worker model* is becoming apparent in the current reforms. This variant envisages (egalitarian) double employment on the one hand, but on the other hand continues to establish institutionally elements of the modernised male breadwinner model with the mother in part-time employment, in other words *gender-specific inequalities*. Furthermore the expected *effects of the reforms* point to an *increase in inequalities between women*. It would even be possible to speak of a second paradigm shift in family policy away from redistribution in favour of socially weak families and towards an *exclusive emancipation* of highly qualified women with high incomes, whilst in particular the parenting benefit reform constitutes a benefit cut for socially weak parents, thus strengthening the *workfare* elements of the reform of unemployment benefit and unemployment assistance – and that with a situation on the labour market which remains difficult for this group in particular.

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