

Prof. Dr. Georg Cremer

Family policies matter!

National policies against poverty and social exclusion of families

Brussels, 22nd and 23rd of January 2014

Context and aims of the symposium

Ladies and Gentlemen,

I am delighted to welcome you today to this symposium. We are very happy that so many people from several member states of the European Union come together to discuss different national policies against poverty and social exclusion of families. I cannot thank you enough for taking your time to join us today and share with us your expertise and experiences.

At this point, I would like to name a few institutional partners who have been of great support:

I warmly welcome Mrs Anna Záborská, member of the European Parliament, as representative of the German Federal Ministry for Family Affairs, Senior Citizens, Women and Youth I welcome Mrs Johanna Kotschi,

my special thanks go to all the speakers who contribute to the success of this symposium.

I am also very grateful to Mrs. Göhring-Lange, Mrs. Wagenführ, and Mrs. Wössner for their qualified preparation and organization of this meeting.

Let me start by giving you a brief explanation of the background and aim of today's meeting.

Caritas Germany always runs triennial campaigns in which it centers its political lobbying and public relation work on a specific problem. From 2012 until the end of this year we are campaigning on the topic "Solidarity and Social Cohesion".

Each year, this topic leads to a political campaign with a specific focus. In 2013, this campaign was titled "Only Together We Can Make Families Strong".

Please keep in mind that Caritas is not a family organization but a welfare association. The diocesan and the local members of Caritas are running numerous institutions with a wide variety of social services. Of course, we also support families. Day-care centers help families with their educational responsibilities, regardless of social classes. We assist families with special needs and those who are at risk of

poverty. Specialized counseling supports families with psychological and social problems and helps them to stand up for their rights. Contrary to common belief, homes which are run by youth welfare services often enable young people to lead successful lives. Caritas developed an educational program that helps parents in need to better organize their everyday lives. It often provides the conditions which are necessary to render further help successful. Caritas immigration services work to exploit all possibilities that can unite families. They also accompany those under-age refugees who arrive without their parents and give them the support they need. It is the aim of Caritas drug help-centers to strengthen the resilience of children who live in families with addiction problems. This will alleviate the long-term effects of growing up under such circumstances. Finally, there are help-centers that support families that have one of its members stay in prison. It is only with this kind of assistance that children will not be shattered by such circumstances.

Last year's campaign also served as introspection because we wanted to check whether we are making the best of all our potentials to help families in need. We work in a welfare state which means that assistance is not given as some kind of charity but that people in need have a legal right for support. During its long history, this is what Caritas has always been campaigning for. However, one has to keep in mind that these legal rights and any financial help only come into effect when serious needs for assistance and monetary problems have already occurred. Often, systems that help are not efficiently linked to systems that have the potential to strengthen children and their families, for examples schools. Teachers are often ill-informed about who can give professional help to pupils when family problems become apparent or an addiction has to be treated. One can conclude: the basic problem of our welfare state is not a lack of specific help but rather an insufficient prevention of social emergencies.

This defines the great potential for the further development of our welfare state. The Church and its Caritas can contribute to develop these potentials. Right now there are two big projects in our association that try that. On the one hand, we try to focus our work on local social networks. We try to integrate different target groups as well as various fields of activities. Thus, we encourage the initiative of the individual and his or her social network and foster solidarity in the communities. On the other hand, we make an effort to organize a network of early help. Both projects enjoy a great level of participation in our association. Mr. Kaesehagen-Schwehn will illustrate this approach later.

But German Caritas is more than just an institution rendering social services. It is also an active stakeholder of social policies in Germany. In the field of family policies our focus lies on the improvement of the situation of disadvantaged families whereas the activities of family associations are directed towards all families – sometimes centring on middle-class families. In spite of extensive efforts in the field of family policies, the risk of being poor is high if you are a single parent, if you are a child or a member of a large family.

Discussions evolving from our family campaign and the development of positions led to the idea of inviting to a workshop to get to know different national approaches of family policies. Our workshop today brings together scientists, professionals and representatives of associations of a number of member states of the European Union.

As examples, we chose Germany, Denmark, France, and Slovenia to discuss how solidarity with families can be successfully imbedded in our welfare states. We hope to profit from your experiences for our future political discussions in Germany, just as we hope that our colleagues from France, Denmark, and Slovenia will take home some stimulus for further debates and considerations. How can we make social services for families become more effective and how can the position of vulnerable families be improved? Will we be more able in the future than we are today to avoid situations of poverty?

At this point, allow me to refer to some socio-political concerns that Caritas is committed to right now in order to support especially those families which live at the borders of society.

We are in a constant debate about the amount of benefits for long-term unemployed and of welfare payments. In Germany, these are calculated according to the empirically established spending behaviour of the lower 15% to 20% of the population with regard to their income. However, there are a few problems in this procedure and some fiscally motivated interventions occur in the calculations. The Federal Constitutional Court regularly invites Caritas to comment on pending proceedings. In a verdict of 2010, the Federal Constitutional Court stated the following: *“The fundamental right to the guarantee of a subsistence minimum that is in line with human dignity from Article 1.1 of the Basic Law (Grundgesetz) in conjunction with the principle of the social welfare state contained in Article 20.1 of the Basic Law ensures to each person in need of assistance the material prerequisites which are indispensable for his or her physical existence and for a minimum of participation in social, cultural and political life.”* In other words, this is more than just the mere safeguarding of a person’s physical existence. This verdict is of great importance for Germany’s social policies. However, we have reasoned many times that it is still not fully implemented and that the benefits should be raised for reasons of social justice.

A further problem is the financial protection of families in which the parents’ earned income is too low to fully support their family. This happens when parents work part-time, when they have jobs in the low-wage segment of the labour market, when several children have to be taken care for or when only one parent is working. In such cases, parents get supplementary benefits from a system that is called “basic benefits for job seekers” and which is actually designed to support the long-term unemployed. Germans know it by the term “Hartz IV”. This means that the aforementioned parents receive “Hartz IV” not because they have been long-term unemployed or are only marginally employed but because they have children. Placing them in a system for job seekers undermines the value of their work. An income related guaranteed child allowance (“Kindergrundsicherung”) would be a fitting way to support them. We have calculated in detail such a system. This would

lead all those families out of “Hartz IV” where the parents can support themselves with their employment and only need financial help for their children.

We lobby for better assistance to families during the first time after the births of their children. Right now, Germany offers two specific benefits: Since 2007, parents have been given a "parenting benefit (“Elterngeld”) during the first year after the birth of their child in case one parent stops working in order to take care for this child. If the father also discontinues his employment for at least two months this parenting benefit is being paid for 14 months. It is quite noteworthy that this latter regulation has made more fathers take parental leave – even if this has mostly been done just for these two months that are required as minimum to benefit from the longer financial support. As these benefits are linked to the income of the parent who interrupts his employment, the parenting benefit helps families that are better off much more than those in financially difficult situations. Moreover, the parenting benefit is deducted from the social benefits a person is entitled to. This means that people receiving social benefits do not at all profit from the parenting benefit. Furthermore, only recently a so-called child care subsidy (“Betreuungsgeld”), currently amounting to 100 Euros per month, is being paid during the second and third year of the child’s life but only in case the family does not use institutional care. In the near future, this amount will be raised to 150 Euros. This measure is unjust because it excludes those families who cannot afford the full waiver of one of the parent’s income and consequently depend – at least part-time – on some kind of institutional child care.

This is why we proposed to unite the two systems of “parenting benefit” and “child care subsidy” to one financial support amounting to 300 Euros per month which should be given to all families during a three-year time after birth. This subsidy will be given regardless to the fact if the child goes to day care centres or if it does not. This payment can also be made for shorter periods of time such as, for example, 900 Euros per month for one year or 450 Euros for two years. This approach would rectify the initial failings of the child care subsidy. It could also end the problematic distributional effects of the parenting benefit. Giving parents the choice regarding the duration of these benefits can support their individual time arrangements. Something that will disappear with this concept will be the higher parenting benefit for partners with a high income. Regarding considerations of fairness this proposal is well justifiable. However, there remains a drawback: the incentive given by the current parenting benefit which makes it attractive for fathers with high incomes to take parental leave for two months in order to take care for their children will be cancelled. No political instrument can accomplish everything.

Family-friendly policies are not limited to finances. Families need time. Not having enough time is a problem of many working couples. More often than not it turns out to be an excessive demand on the parents when the standard employment contract for both parents with small children has to be fulfilled to the full extend. This is a challenge to politics that has to make flexible working concepts possible. It is also a challenge to the companies which have to create family-friendly working structures. This turns out to also be a great challenge for the numerous institutions and services of Caritas that employ more than half a million people. For example, the Caritas Headquarters in Freiburg has been undergoing the process of auditing for a couple of

years and is now certified as a family-friendly workplace. Among other options, we offer flexible working hours and office locations as well as holiday care for the children of our employees. This is important because whatever we demand from politics will bring back the question to us: here at Caritas – what can we do to tackle this problem? Lack of time is also a problem for many of those who exercise care responsibilities in their families. This is why we demand a legal entitlement to time for taking care of family members.

With these few examples of our present political proposals I have come to the end of my talk. I am looking forward to an interesting exchange of ideas and experiences. I thank you very much for your attention.