

German Cabinet approves controversial benefit program for stay-home parents of young children ^[1]

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EXCERPTS:

BERLIN — Germany's Cabinet on Wednesday approved a controversial new program that subsidizes parents who stay at home with their young children instead of work, a plan that the opposition says is a waste of billions of dollars.

Government spokesman Steffen Seibert said the payments — which would start next year at €100 (\$125) per month for parents who stay home with a 2-year-old — will “strengthen the freedom of choice for parents.”

The program was rammed through by the socially conservative Bavarian sister party of Chancellor Angela Merkel's Christian Democrats despite opposition from others in the coalition.

Merkel herself has largely stayed out of the controversy, stating that the coalition has agreed on the program and it will be implemented. Dissident lawmakers from the coalition appear unlikely to risk deepening tensions by voting against it in Parliament.

The center-left opposition Social Democrats and the Greens dismiss the legislation as an attempt to promote conservative family values that would dissuade women from seeking employment and prevent children from receiving early education in child care centers.

They also argue it contradicts government efforts to increase the number of day-care spots and strengthen early childhood education.

Experts say a lack of day-care options often forces German mothers to stay home, causing a loss of skilled workers in an economy that already has labor shortages in some segments.

Germany, which wants other European nations to cut back debt, plans to spend about €400 million (\$500 million) on the program next year, then about €1 billion annually starting 2014.

The cost of the new program “means we don't have those funds for doing what is urgently necessary, namely creating more day care center places,” said Andrea Nahles, the Social Democrats' general secretary.

German media widely call the program the “Herdprämie” or, loosely translated, “kitchen bonus.”

Under the program, families will be entitled to monthly aid of €100 (\$125) when one parent — in most cases in Germany still the mother — keeps their two-year-old child at home rather than sending him or her to a day care center.

Starting in 2014, parents will be paid €150 for each of their 2- and 3-year-old children. Other welfare programs already exist for children under age 2.

The poorest families, however, will be effectively excluded from enjoying the subsidy because money from the child care program would be deducted from their existing social welfare benefits.

The government must still secure parliamentary approval for the new program, and it is still unclear whether the upper house representing German states — where the ruling coalition has no majority — must also approve the legislation.

Germany has seen its new borrowing shrink thanks to a robust economy that has increased tax revenues, but the government has not pushed through significant budget cuts the way Europe's ailing southern nations such as Greece, Portugal, Italy or Spain have.

- reprinted from *Washington Post*

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