

# German court rules controversial child care subsidy unlawful <sup>[1]</sup>

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## AVAILABILITY

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## EXCERPTS

The city state of Hamburg had brought the case to Germany's highest court, arguing that it was not part of the federal government's remit to pass a law that it believes is not covered by its "duty of care" to the general public.

The Karlsruhe-based court agreed with the plaintiff, ruling the child care subsidy unlawful. The judge stressed that the subsidy does not contribute to the balancing out of regional differences in standards of living. He also said it was up to the individual states to introduce such a payment.

The controversial child care subsidy for stay-at-home parents was introduced in 2013, along with the legal right to a spot in a child care facility for children aged one year and older. Parents receive 150 euros (\$163) a month for each child up to the age of three years that they decide to bring up at home.

The subsidy, mocked by critics as a "kitchen premium" as they say it encourages women to stay at home, was one of the pet projects of the CSU party, the conservative, Bavarian arm of Chancellor Angela Merkel's Christian Democrats.

Its aim is to reward parents - in most cases mothers - who opt not to put their child in a day care center or other state-sponsored facility.

The CSU says the subsidy is all about the freedom to choose and has vowed to keep the payments going, regardless of the court's verdict.

Critics, meanwhile, say rewarding someone for not taking advantage of a service or payment is absurd. The money spent on the subsidy could be better spent on providing more badly needed spaces in crèches, they say.

They also argue that the subsidy would be detrimental to children from migrant families, whose children benefit from being in a crèche to learn German, as their parents often do not speak the language well enough.

The Social Democrats, who were in the opposition in 2013 and are now part of the government, are against the child care subsidy and have said they would not be willing to renegotiate the subsidy.

Family Minister Manuela Schwesig, a Social Democrat, has been championing a substantial expansion of state-sponsored child care facilities and has called the child care subsidy a "stay-away premium," as it would keep or discourage mothers from getting back to work.

The Greens, the Left party and major business federations also opposed the child care subsidy when it was introduced two years ago.

Data have shown that 95 percent of those claiming the now unlawful financial assistance are women. Preliminary data from Germany's Youth Institute show that there is a high proportion of immigrant families claiming the subsidy, reinforcing the experts' fears that it would discourage children from those families to learn German to native speaker level.

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**Region:** Europe <sup>[3]</sup>

**Tags:** subsidies <sup>[4]</sup>

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