

# Who is supposed to care for the elderly? Sustaining elder care in Germany – the bread winner model revisited

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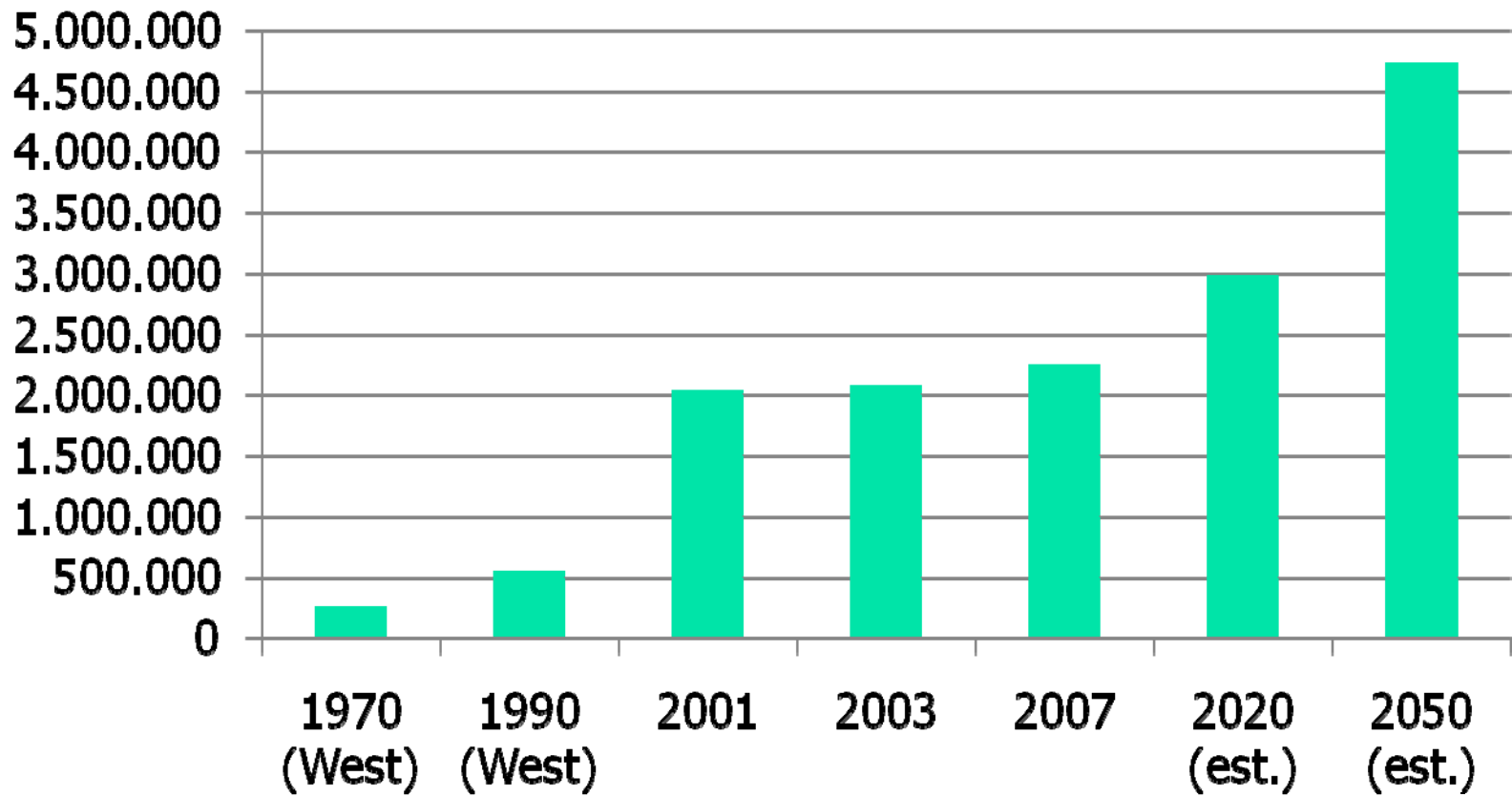
## Overview

- Background information on the current situation in Germany with regard to elder care
- The German long term care system and its influence on the question who should do the care work
- Presentation of the findings on the Carers@Work-Project on what companies do to keep staff with caring obligation employed
- Conclusion

## Background

- German society is ageing:
  - 2006 share of people age 80+: 3,2 Millions (appr. 4% of pop.)
  - 2050 (estimated): 9,1 Millions (appr. 12% of pop.)
- Likelihood to become in need of care
  - 65-69 years: 3%
  - 75-85 years: 14%
  - 85-90 years: 37%

## People in the need of care in Germany (1970-2050)



At the same time:

- Decreasing birth rate
- Increasing female labour market activity
- Change of family structures
- Increasing mobilisation
- Shortage of skilled workers
- Increasing of retirement age



**Who is to care for the elderly??**

## Predominant model

- Care was mainly provided within the family
- Traditionally women were main care givers for old dependents
- Low distribution of home care services
- Prevalence of old peoples home
- In 1995 introduction of the long-term care insurance
  - universal, mandatory
  - Regulates how care services have to offer and provide care and what kind of services are paid for

# The German long term care system

## **Aim of implementation:**

- Save money
- Favouring home care over institutional care
  - Expanding and promoting home care services
  - Strengthen informal care by compensating informal carers

## **Benefits for informal carers**

- Care allowance
- Pension entitlements
- Social security contributions
- Working carers are entitled to take a 6 month leave (Pflegezeit)

## Background information: The German care system – benefits by care category

	Home care		Institutional care
	Care allowance	In kind	In kind
Care category I (considerable need of care)	215€	420€	1023€
Care category II (severe need of care)	420€	980€	1279€
Care category III (extreme need of care)	675€	1470€	1470€



Care level	Weekly care at least ...hours	Per year of caring/ monthly pension	= earning points	= monthly gross income (in €)
III	28	21.31 €	0.78	24,086
	21	15.98 €	0.59	17,905
	14	10.65 €	0.39	12,043
II	21	14.21 €	0.52	16,057
	14	9.47 €	0.35	10,808
I	14	7.10 €	0.26	8,029
Average earning		27,20	1.00	30,879
Hourly wage men 19,40€ x 40 x 4 x 12			1.21	37,248
Hourly wage women 14,9€ x 32 x 4 x 12			0.61	22,886

## Less obvious reasons: Still strong institutional promotion of the modified breadwinner model in Germany:

### In case of married couples:

- Tax Policy:
  - Quite strong tax-disincentives for married dual earner couples: Splitting of income between spouses (joint tax return) → Ehegattensplitting
    - Partner with higher income gets the tax exemption of both partners (15,668 €); the partner with the lower income has no tax exemption.
    - (in the case of children) Partner with higher income gets the full child allowance (6,024 €)
- Social Policy:
  - Derived entitlements in the statutory health and pension insurance
    - Free health insurance in case of an employed partner who is obligated to pay contributions to the social insurance system
    - Eligible for a widow's pension (55 % of the partners' pension)

### Both is boosted by:

- Promotion of marginal employment (Minijobs):
  - 400 € without obligation of paying taxes or contributions to the social insurance systems (formally no working time limit) → additional earnings

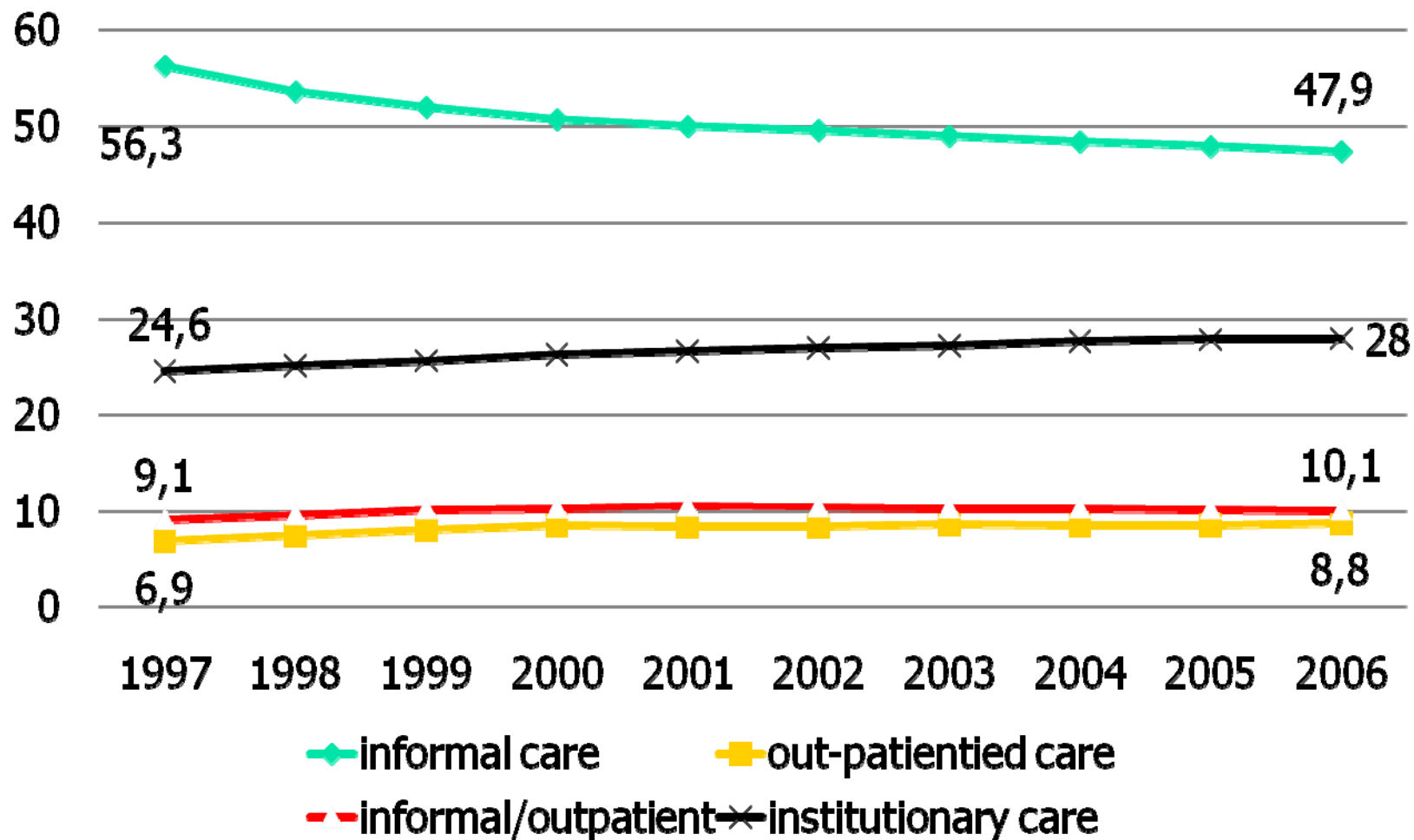
## Conclusion I

- Germany has organized its long-term care system around the breadwinner model
- It is built on the assumption that women will – also in the future – continue to work mainly part-time and are therefore available to do the care work. The special tax system for spouses (Ehegattensplitting) and the principle of derived entitlements in the statutory health and pension insurance already benefit and flank this division of labour in Germany
- the care insurance revolves around it and has introduced various measures that gives incentives for (in particular married) women not to work or to reduce work in case of care:
  - Care allowance
  - Pension entitlements for part-time workers
  - Other contributions to the social security system

## Assumption I

- Therefore, informal care will remain high in Germany
- It will mainly be women who do the care work. Marriage (i.e. having a breadwinner) will have a positive effect on taking up care work
- Carers will reduce work or give up work entirely
- Men, who usually cannot rely on a breadwinner, will mainly take up care work when retired

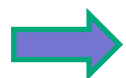
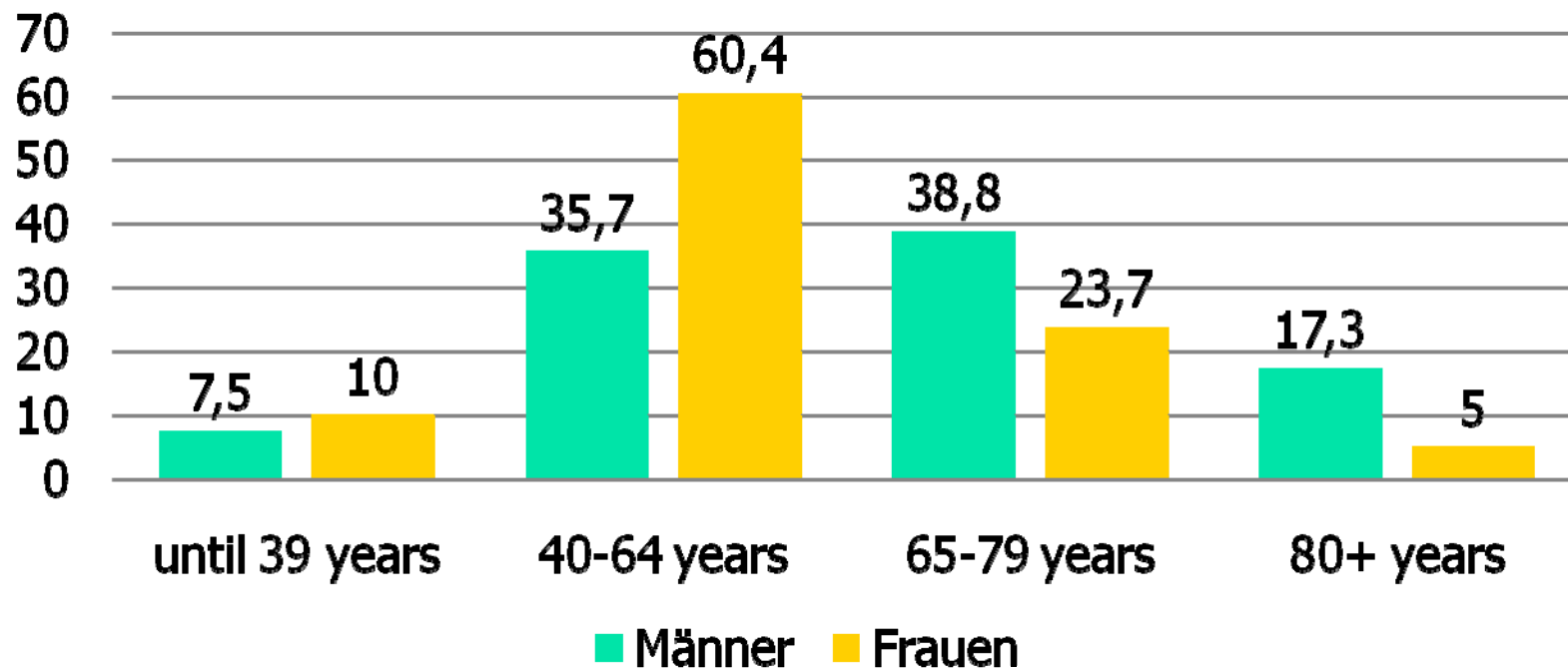
# Development of care arrangements in Germany 1997-2007 (in %)



## Who cares in Germany?

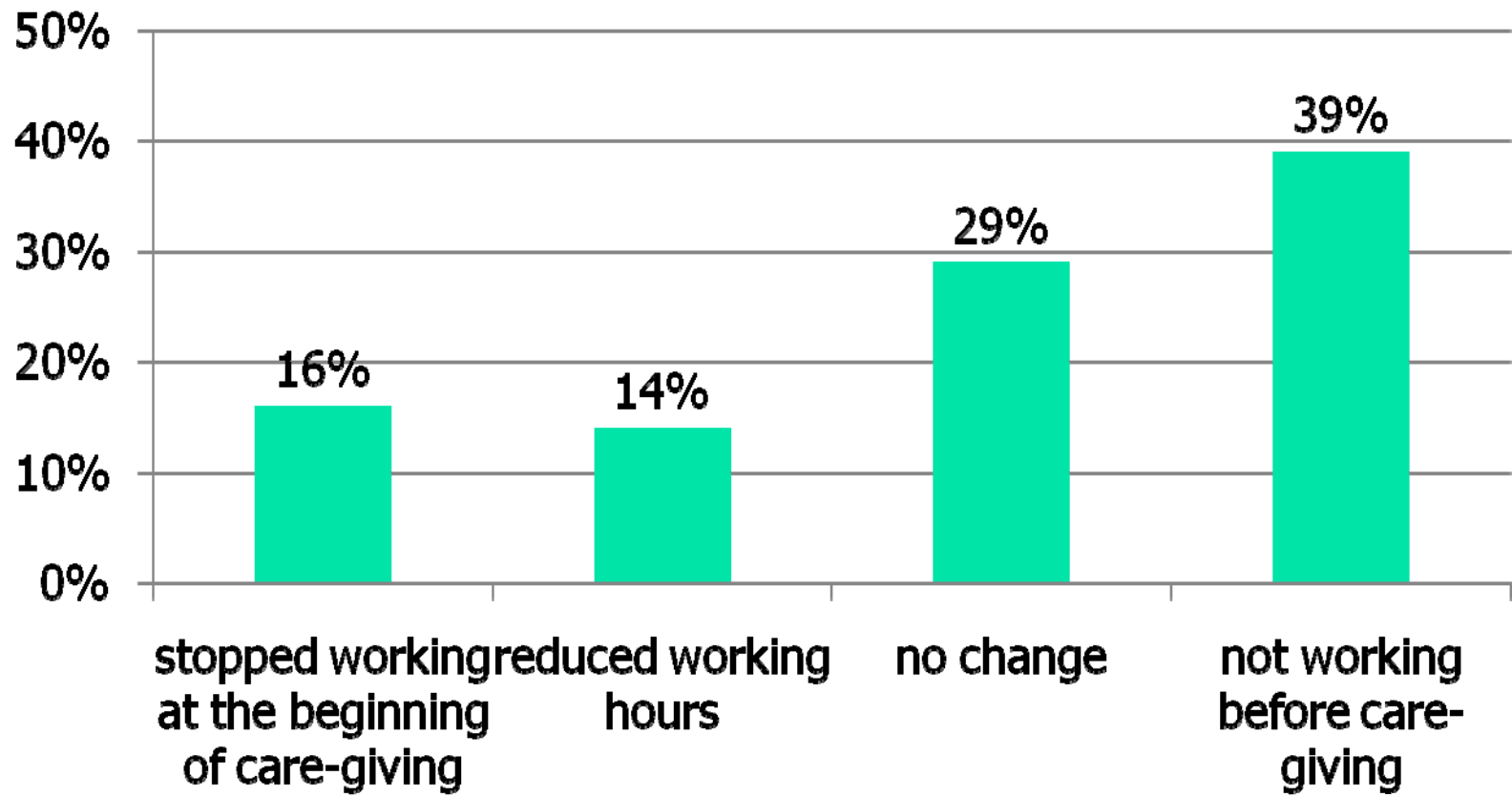
- High share of informal care
  - 75% of informal care givers are women
  - 69% of those are married
  - 40% not working when starting care-giving
- 
- On average, carers care 5.2 hours/day, 7/7
  - On average 8.2 years

## Who cares? Age distribution of informal carers by sex (in %)



- The majority of women who care is in working age (70%)
- the majority of men who care is already retired (56%)

## Who cares? Care and employment





## Consequences of caring for employers and employees

- Higher absenteeism rate and sick leave
- Start work later, leave work earlier
- Frequent interruption of work
- Problems of concentration
- Productivity loss
- Less participation in further qualification measures
- Higher stress level
- (Less leisure activities)
- (Less private contacts)

## The carers@work project: Between Job and Care - Conflict or opportunity?

- Funded by Volkswagenstiftung
- Duration: 24 Month, 01.01.2009 – 31.12.2010

### Methods

- 9 case studies in enterprises
- Interviews with human resources manager and works councils

### Research questions:

- Do companies recognize the problem of combining work and care?
- What kind of measures do exist in companies?
- How high is the take-up rate of these measures?

## Assumptions II

- Family-friendly measures implemented by companies follow the bread winner modell, that is, offerings are mainly dealing with part-time work or time-off for a certain length of time
- Family-friendly measures that deal with a new organisation or flexibility of working time orient on certain groups of the workforce and are not available to the whole staff
- The share of women in a company has little influence on the amount of family-friendly measures an establishment has implemented

# Case studies: general information

	A	B	C	D	E	F	G	H	I
sector	Autom	Autom.	Energy	Energy	Chemist.	Health care	Textile process.	trade	Public admin
size	450	12,500	1,000	1,500	1,000	1,800	120	200	14,000
Coll. agreement	yes	yes	yes	yes	yes	yes	no	yes	yes
Share of women	25%	15%	40%	20%	50%	70%	90%	90%	50%
Share of parttime	15%					Depends : 10-50%	10%	50%	
Shift work	yes	yes	yes	yes	yes	yes	no	Stag. WT	yes
Average age	Ca. 40	n.A.	Ca. 40	45,3	47,8	n.A.	Ca. 40	n.A.	Ca.40



# Case studies: working time and working organisation

	A	B	C	D	E	F	G	H	I
sector	Autom	Autom.	Energy	Energy	Chemist.	Health care	Textile process	trade	Public admin
Flexi-time	Yes, partly	Yes, partly	Yes, partly	Yes, partly	Yes, partly	Yes, partly	no	Yes, partly	Yes, partly
Flexible WT organisation (e.g for part-timers)	yes	yes	yes	yes	yes	yes	no	yes	yes
WT-accounts	50 hours	380 hours	-10/+40 to to everyone available	+/-40 hours not to everyone available	+/-77 hours	--	--	Yes, not to everyone available	
Poss to reduce WT temporarily	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Telework/home office	2		3-5	10	Yes	no	no	Yes	Yes

## Conclusion II

- Companies are well aware of the reconciliation problem between care and work and various measures have already been implemented
- The share of women does not necessarily influence the implementation of family-friendly measures
- However, most of them are not gender neutral, they focus on working time reductions or the possibilities of taking longer leaves. These measures are associated with income loss and may hinder one's career in the long run, and are thus most likely not to be taken up by men.
- There are only a few measures implemented that allow for combining work and care at the same time
- In many cases these measures were only available to parts of the staff (e.g. to administration, part-time workers etc.) that were women dominated

## Final remarks

- Germany has built its long-term care system around the notion that women will continue to do the bulk of the care work, and that they will mainly do it informally
- With this it ignores the fact that due to the ageing process Germany is already shortly facing a lack of skilled workers that in turn might lead to a higher full-time employment rate among women
- As a consequence of the traditional labour division in Germany, both the state as well as companies presume that women will continue to interrupting their work life (because of children, because of other care duties) or will work part-time. Thus measures to combine care and (full-time) work at the same time, are scarce.
- Given the incentives, made by the state and the measures, implemented by companies it can be stated that the existing structures hinder an equal distribution of the care work between men and women.



Thank you for your attention!!!