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Nathalie Morel

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From Subsidiarity to 'Free Choice': Child- and Elder-care Policy Reforms in France, Belgium, Germany and the Netherlands

Nathalie Morel

Abstract

This article analyses the patterns of reform in care policies in Bismarckian welfare systems since the early 1980s. Based on a comparison of France, Germany, Belgium and the Netherlands, the article shows that these reforms share similar logics and trajectories, which can be explained by the shared conservative and corporatist traits of Bismarckian labour markets and welfare state institutions and their impact on labour market adjustment possibilities and preferences. Indeed, we argue that care policy reforms have been very closely linked to specific employment strategies, and the politics of welfare without work and subsequent attempts to shift away from such a labour-shedding strategy go a long way in explaining both the nature and the timing of child- and elder-care policy reforms in Bismarckian welfare systems. The article also shows how a focus on promoting 'free choice' in all four countries has justified the introduction of measures that have simultaneously reinforced social stratification in terms of access to the labour market – meaning that some women have much more 'free choice' than others – and weakened certain labour market rigidities. To conclude, we argue that care policy reforms have provided a backdoor for the introduction of labour-cheapening measures and for increasing employment flexibility in otherwise very rigid labour markets.

Keywords

Childcare; Elder care; Policy reform; Bismarckian welfare systems

Introduction

As has been argued by various authors (cf. Daly and Lewis 2000), care policies provide a fruitful point of entry for analysing welfare state change. Indeed, care policies represent in most cases a relatively new responsibility for the welfare state and are in fact one of the most dynamic areas of welfare state expansion (cf. Daly 1997). As such, care policies are part and parcel of

Address for correspondence: *Nathalie Morel, Centre d'Etudes Européennes, 27 Rue Saint Guillaume, 75007 Paris, France. Email: nathalie.morel@freesbee.fr*

the restructuring of the welfare state. This restructuring involves both a recasting of the overall set of relationships between family, market and state, and a transformation of gender relations and norms.

The aim of this article is to examine this process of reform and restructuring in the Bismarckian or 'conservative corporatist' welfare systems. Basing our inquiry on a comparison of France, Belgium, Germany and the Netherlands, we seek to draw out the impact of the specific nature of Bismarckian welfare state institutions on the nature and timing of the reform trajectories in childcare and elder-care policies implemented over the past 25 years.

The choice of these countries may at first sight seem problematic. Indeed, while it has become common for comparative welfare state analysts to speak of welfare state clusters, there has been some considerable debate as to which criteria are most relevant for identifying these clusters. These debates have mostly been spurred by Esping-Andersen's 1990 tripartite welfare regime typology.

Various scholars have called into question this typology, often by pointing to important intra-regime variations along one or more specific variables. In this respect, the conservative regime is perhaps the one that has elicited most criticism, not least from gender theorists who have argued that Esping-Andersen's predictions in terms of the low levels of services and of female labour-market participation associated with the conservative welfare regimes hardly hold true in the case of France or Belgium, which both display fairly high public childcare coverage for children aged 3 and above. Similarly, various works have highlighted important intra-regime differences with respect to employment levels for women or lone mothers, or regarding poverty rates among single-headed families, and with respect to other gendered patterns of inequalities (Lewis 1992; Sainsbury 1996; Bussemaker and van Kersbergen 1999). Thus, it has often been argued that France and Belgium are not properly 'conservative' countries to the same extent as Germany or the Netherlands, and various other classificatory attempts have tended to separate these countries into different clusters.

Without discarding the theoretical and social importance of looking more closely at the gendered outcomes of different welfare arrangements, my approach here is to look at the specific policy contents and reform trajectories rather than outcomes for defining 'families of nations'. I suggest that when attention is directed towards both childcare and elder-care policies, there is a much stronger case to be made for grouping these countries together than if one looks just at childcare, which has usually been the focus in gender studies.

Indeed this article shows that patterns of reform in care policies in Bismarckian welfare systems share similar logics and trajectories. I argue that it is the shared conservative and corporatist traits of Bismarckian labour markets and welfare state institutions – and their impact on labour market adjustment possibilities and preferences – that have driven care policy reforms. These reforms have been very closely linked to specific employment strategies, and the politics of welfare without work and subsequent attempts to shift away from such a labour-shedding strategy go a long way in explaining

both the nature and the timing of child- and elder-care policy reforms in Bismarckian welfare systems. Care policies have been used during the 1980s and early 1990s to reinforce the traditional male-breadwinner model that characterizes Bismarckian countries but, in the late 1990s, when low employment rates became widely regarded as the key problem for the sustainability of these welfare states, care policies were used to raise female employment levels. This change therefore marks a real U-turn in the role assigned to women, who are now expected not only to care but also to work – a ‘farewell to maternalism’ which Ann Orloff (2006) has shown to characterize other countries also. However, the reforms implemented here bear the imprint of the conservative corporatist legacy of these welfare states in terms both of reform trajectories and policy design.

In the next section I draw out the key institutional characteristics of the postwar model in conservative welfare states, and discuss briefly how the strong emphasis on the male-breadwinner model, and the resulting welfare without work syndrome, has exacerbated the welfare state crisis in these countries – a diagnosis that became widely shared in the late 1990s.

The next section describes the policy reforms implemented in these four countries in the fields of childcare and elder care and the policy logic that has underpinned them. Two phases of policy reforms can be distinguished. The first set of reforms, in the 1980s and up to the late 1990s, based on a (female) labour-shedding strategy, has sought to reinforce the traditional male-breadwinner model as a way to combat unemployment, while the second set of reforms, starting in the late 1990s, has aimed at raising employment levels, and especially female employment rates. In the four countries, however, a focus on promoting ‘free choice’ has justified the introduction of measures that have simultaneously reinforced social stratification in terms of access to the labour market – meaning that some women have much more ‘free choice’ than others – and weakened certain labour market rigidities. Indeed, we argue that care policy reforms have provided a backdoor for the introduction of labour-cheapening measures and for increasing employment flexibility in otherwise very rigid labour markets.

The third section offers a concluding discussion of the specific rationale and trajectory of care policies in Bismarckian welfare systems.

Characterizing Bismarckian Welfare Systems

A conservative corporatist postwar social contract

As far as care issues are concerned, three main characteristics of Bismarckian welfare systems should be emphasized. First, of crucial importance is, of course, their strong reliance on the male-breadwinner model and strong support of the traditional family. Various policies and tax disincentives have traditionally discouraged women’s participation in the labour market or encouraged their withdrawal after marriage or childbirth, so that female participation rates have generally been low. In this model, men are expected to work full-time and women to care full-time for children and the elderly. This reliance on a male breadwinner in a system based on employment-

related social insurance means that women have generally lacked individual social entitlements and have instead received benefits through their husband.

Another defining characteristic is the principle of subsidiarity: intervention should not take place at a level higher than necessary; when an individual is in need of care, help should be sought first from the family or local community, or from voluntary associations – the state steps in only as last resort (this is particularly true of Germany and the Netherlands). The belief is that the family is the best possible provider of care and that substitutive policies by the state might undermine the family. Family policies therefore offer generous financial transfers to families to support them in their role of primary welfare providers but little in terms of substitutive social services. Bismarckian countries are thus very transfer-heavy and service-lean. The ‘freedom of choice’ rhetoric that later developed and which has guided care policy reforms fits well with this principle of subsidiarity.

Active labour market policies have typically been underdeveloped and this is even more apparent with regard to policies to promote women’s employment. In the 1960s, when faced with labour shortages, Germany, France and Belgium chose to bring in foreign ‘guest’ workers rather than draw on the domestic reserve of female labour – thereby also reinforcing the male-breadwinner model (Esping-Andersen 1996; Bussemaker and van Kersbergen 1999). Scandinavian countries chose instead to bring women into the labour market, which prompted the development of childcare services and other policies to help parents reconcile work and family life as early as the early 1970s.

The crisis of the male-breadwinner model

Taken together, these various characteristics help to account for the situation of ‘welfare without work’ which Bismarckian countries found themselves in after the economic crisis of the mid-1970s. In a system where the family is dependent on the male breadwinner, protecting the employment and ‘family wage’ of this male worker has been a central concern of trade unions. As a result, it has been nearly impossible for Bismarckian countries to implement ‘labour-cheapening’ strategies of flexibilization and labour market deregulation as in the liberal countries. The Nordic public employment strategy (which prompted the rapid increase in female labour market participation) has not been followed either. Instead, Bismarckian welfare states sought to maintain productivity via a labour-shedding strategy, which typically took the form of early retirement schemes and/or an expansion of disability policy (Esping-Andersen 1996; Bussemaker and van Kersbergen 1999). This labour-shedding strategy also involved discouraging female labour market participation.

Such a strategy has proven problematic on many counts. Writing in the mid-1990s, Esping-Andersen highlighted the self-reinforcing negative spiral Bismarckian countries found themselves in, this strategy having resulted in ‘prohibitively heavy fixed labour costs which, in turn, discourage[d] employment growth or, alternatively, spur[red] the growth of informal sector jobs or self employment’, and which were ‘particularly ill-suited to address pressures for greater labour market flexibility and women’s demand for economic independence’ (Esping-Andersen 1996: 68).

Indeed, women have increasingly sought to enter the labour market, despite policies encouraging them to remain at home. Faced with a lack of care options, either public or private (due to high labour costs), women's increasing participation in the labour market has often been accompanied by a severe drop in fertility rates, and most strikingly so in the most familialistic countries such as Germany, Italy or Spain. Women's aspirations to work have also come into conflict with their capacity or willingness to care for the dependent elderly. These different trends have thus called into question the traditional care arrangements that underpin Bismarckian welfare systems, and this at the same time as the number of elderly people has increased rapidly, thus leading to a 'care crisis'.

Ageing populations are not simply a care issue, but also a financial issue, as fewer workers must bear the cost of a large cohort of pensioners. This has been of particular concern in Bismarckian countries, where the combination of labour-shedding policies and of low female participation rates and low birth rates have exacerbated the dependency burden.

This diagnosis became widely shared in the later part of the 1990s, both at the European Commission level and in the countries under study. At the European Commission level, much emphasis has been placed since the late 1990s on raising employment levels, and especially female employment levels, in order to increase the tax base of the social protection systems. The 1997 European Employment Strategy has set as key objective employment levels of at least 60 per cent for women by 2010, and at least 70 per cent for men. Policies for reconciling work and family life have been presented as crucial measures for simultaneously reaching three aims: raising employment levels, promoting gender equality and raising fertility rates, and member states have been encouraged since the late 1990s to develop appropriate policies (childcare services, parental leave schemes, etc.). However, as we shall see, care policies in Bismarckian countries have mainly pursued the first of these aims (raising employment levels).

The development of elder-care policies has perhaps been less explicitly linked to employment strategies, at least at the European Commission level, but we will see how the shape and content of these policies can nonetheless also be linked to employment strategies specific to Bismarckian welfare systems, based on the development of low-skilled, low-paid personal service jobs.¹

Trajectories of Reform in Care Policies

This section describes the policy reforms that have taken place in the fields of childcare and elder care in each of the four countries, starting with France and Belgium, as these two countries have long stood out among conservative welfare states for the amount of public childcare services provided.

The French and Belgian specificity with regard to childcare provision is mainly due to the existence of the *écoles maternelles*, or preschools, which take children from the age of 3. Although compulsory schooling only starts at the age of 6, virtually all children aged 3 to 6 attend preschool (considered part of the national school system). In both countries preschools were developed for educational purposes and to form loyal citizens/republicans, rather than

as a care service to help parents reconcile work and family life. Day-care services for children below the age of 3 developed rapidly in the 1970s and early 1980s but expansion then stopped during the 1980s to give way to more private forms of day-care arrangements. France and Belgium have developed a similar mix of seemingly contradictory policies that include both day-care services to facilitate women's employment, and cash benefits that encourage women to stay at home. Finally, both countries share pro-natalist aims and have developed family policies that primarily target and favour large families. With respect to the elderly, care policies have long remained underdeveloped in both France and Belgium. In the mid-1980s, there were still 20 per cent of elderly people living with their children in France – compared to 5 per cent in Sweden (Esping-Andersen 1999: 63). It is only in the early 2000s that both countries (France especially) have developed specific policies to deal with the long-term care needs of the elderly.

Germany and the Netherlands have remained much closer to the traditional male-breadwinner model and, until recently, mothers of small children were not expected to work. The principle of subsidiarity is very strong, and childcare services have traditionally been provided by voluntary welfare organizations. It is only in recent years that these two countries have started to invest more seriously in childcare services. Both countries, however, have a longer history of providing care for the elderly than France and Belgium. The Netherlands developed institutional care for the elderly long ago, while Germany set up a fifth social insurance scheme to deal with dependency as early as 1994.

Despite these initial cultural and policy differences, we argue that these countries have all followed similar patterns of reform and that this can be explained by the shared conservative and corporatist institutional characteristics of these four Bismarckian welfare systems. To strengthen our argument, policy reforms in France are developed at greater length than for other countries to serve as a 'test-case'. We show that despite the prevailing perception of France as different from other Bismarckian welfare states with respect to family policy (Lewis 1992; Anttonen and Sipilä 1996), conservative and corporatist traits are clearly visible both in the types of policies implemented and in the policy logics that have guided reforms in the past 25 years.

Our analysis shows that from the mid-1980s to the late 1990s, in all four countries, women have been either discouraged from entering the labour market (in Germany and the Netherlands) or, where women had already entered the labour market in the 1970s, as in France and Belgium, measures have been implemented to encourage their withdrawal from the labour market in order to 'free' jobs for men. This is particularly true for low-income women, who have been enticed to make use of long and low-paid parental leave schemes. For higher-income women, on the other hand, various measures facilitating the use of private forms of childcare have been developed. Such measures have typically taken the form of tax deductions and social contribution exemptions, thus contributing to a cheapening of the cost of labour in the personal service sector. Such a strategy is highly compatible with the subsidiarist principle of Bismarckian welfare systems as it provides a solution that is entirely based neither on the state nor on the market; instead, the state

offers subsidies to help families choose how to service their care needs. Furthermore, such subsidies reinforce one of the characteristic dimensions of Bismarckian welfare systems in that they tend to reproduce and reinforce prevailing patterns of social stratification. Temporary leave schemes and opportunities to reduce working hours have also been on the increase, especially in recent years, and have contributed to a flexibilization of labour, especially of female labour. Finally, despite an expansion of policies to promote the reconciliation of work and family life, these measures have not sought to modify the traditional gender division of labour with respect to care and domestic work, the idea being that it is up to the family to decide 'freely' on how to organize their private life.

France: 'free choice' – for those who can afford it

In the 1970s, as a response to both feminist and labour market demands, France invested quite substantially in the development of day-care services. Despite promises by the Socialist Party for the 1981 elections to further increase the number of day-care places available, the 1980s marked instead a shift towards more private and familial forms of childcare (Jenson and Sineau 2001; Morgan 2002). This shift has been accompanied by a discourse promoting parents' 'free choice' – freedom to choose whether to care for their children themselves or not, and freedom to choose between different types of care options. This 'freedom of choice' rhetoric, also present in the other Bismarckian countries, is perhaps the most defining characteristic of care policies in these welfare systems.

Two types of policies have been pursued in France, both of which have been part of a wider employment strategy: on the one hand, new benefits have been created to promote employment by subsidizing parents who hire childcare workers in the home. On the other hand, parental leave benefits have been expanded to encourage certain parents to leave the labour market to care for their own children (Fagnani 1998; Martin *et al.* 1998; Morgan 2006).

Encouraging low-paid women to withdraw from the labour market. A paid parental leave benefit (APE) was set up in 1985 by the Socialist government, despite strong criticism from some members of the party, who argued that the APE was but a maternal wage in disguise. Indeed, the explicit aim of this new measure was, in a context of falling birth rates and high unemployment, to encourage women simultaneously to have a third child and to withdraw from the labour market (Jenson and Sineau 2001). This benefit, which was only granted as of the third child, gave the parent on leave the right to a non-taxable €225/month allowance for up to two years. The results were somewhat disappointing, however, as only 27,000 mothers took leave in 1986, instead of the 80,000 that had been anticipated (Fagnani 1995). The scheme was therefore modified in 1986 so that one needed simply to have worked two out of the previous ten years (and periods spent on maternity leave or registered as unemployed counted as time worked) to be eligible, and the leave was extended to three years, with the possibility to work part-time during the third year. Pro-natalist aims were thus reinforced, at the same

time as the new, more lenient work requirements aimed at getting unemployed women out of the unemployment statistics.

Developing low-skilled, low-paid work by providing subsidies to higher-income women. The year 1986 also witnessed the creation of a special benefit (AGED) for families who hire a private nanny (who does not need to be licensed or qualified) to care for a child in the parents' own home. This benefit covers the employer's social contributions and offers generous tax deductions. Another benefit, the AFEAMA, was set up in 1990 to cover the cost of social contributions when parents employ a registered childminder to care for children in her home. The AFEAMA and the AGED were intended to develop cheaper forms of care than day-care institutions and to increase employment, partly by making it easier to hire someone and partly by bringing women working on the black market into the formal labour market.

Care policies to combat labour market rigidities. In 1994, with unemployment levels over 12 per cent and continually falling birth rates, the Conservative government modified the parental leave scheme so as to make it available as of the second child, and monthly benefits were increased to around €450. The pro-natalist aims remained, but were more clearly overshadowed by employment-related considerations, the explicit aim of this policy being to make the labour force more flexible by encouraging part-time work, and to free up jobs for men by getting some women out of the labour market, as stated by the Conservative minister of social affairs:

the childcare policies that are proposed, in their two components,² will contribute significantly to employment. We estimate that these measures should enable the creation of 100.000 new jobs. 50.000 or so of these will correspond to jobs that have been freed. Indeed, the extension of the APE will lead certain parents to diminish or suspend their professional activity, which corresponds to a significant change in behaviour since it would concern about one fifth of APE beneficiaries at the birth of their second child. (Simone Veil, A.N. débats no. 42, 02-06-1994, p. 2483)

This scheme proved successful and considerably modified women's labour market participation: between 1994 and 1997, the number of APE beneficiaries tripled and the percentage of mothers of two children in the labour force dropped from 69 to 53 per cent (Afsa 1998). Indeed, the long duration of the leave and the inadequate job protection associated with this leave have made it difficult for many women to reintegrate into the labour market at the end of the leave period. The amount of the benefit has proven too low to entice men to take the leave and thus 99 per cent of beneficiaries are women.

The 1994 childcare reform also substantially increased the tax deduction that could be claimed by families who hired a private nanny, and increased the benefit for the AFEAMA.

Redomesticating childcare. The AFEAMA and the AGED have met with great success, and spending on these programmes has increased rapidly, while

investment in day-care structures has stagnated. Spending on childcare policies by the CNAF (the family social security fund) increased by 169 per cent between 1994 and 2001. The largest increase in financing has gone towards the parental leave benefit (+213 per cent), followed by the financing of the AFEAMA; the third largest increase has been for the AGED (+54 per cent). Meanwhile public day-care services have only benefited from a 39 per cent increase. This means that of the total budget, the proportion spent on day-care services decreased from 16 to 8 per cent between 1994 and 2001, while the proportion spent on families to help them pay for individual forms of care increased from 78 to 84 per cent (Leprince 2003).

While these various schemes are open to all working families, in practice the use of each of these schemes is very much determined by the family's, and especially the woman's, income level. The AGED has been used by high-income families, the AFEAMA by middle-income families, and the parental leave benefit has been too low to attract higher-income earners but has proven very attractive to low-income women (Fagnani 1998; CNAF 2003). Childcare policies have thus served to reinforce prevailing patterns of social stratification.

Finally, though there has been a diversification of childcare over the past 20 years, parental care remains the most common form of childcare for children under 3 (64 per cent), followed by care in the homes of registered childminders (18 per cent). Nurseries only account for 8 per cent of all childcare (DREES 2004).

A new orientation? New reforms have recently been introduced that seem to indicate a progressive change in childcare policies. Since 2002, fathers are entitled to 14 days' paid leave (previously 3) following the birth of a child as part of a move to promote a greater investment of fathers in caring for their children. Also, a new benefit was introduced in 2004, the *Prestation d'Accueil du Jeune Enfant* (PAJE), which brings together and replaces various schemes and child benefits. The aim of this new benefit is 'to better respond to families' needs and expectations by promoting their freedom of choice: freedom to work or to withdraw from the labour market to care for their children, and freedom to decide on the appropriate form of care' (CNAF 2003). It comprises a birth allowance and a means-tested benefit paid out until the child turns 3. Parents also receive a 'free choice supplement', which takes the form either of a paid leave from work until the child turns 3 or of a benefit to help cover the cost of a private nanny or registered childminder. This 'supplement' varies according to parents' income. Though strongly reminiscent of the previous schemes (APE, AFEAMA, AGED), the novelty here is that this new scheme includes special measures to encourage mothers on leave to work part-time and to re-enter the labour force – this is in line with the new (European) agenda of raising female employment rates.

Elder care: encouraging informal care. While France developed childcare policies quite early on, long-term care for the elderly only became a serious issue for policy-makers in the early 1990s. During the discussions on possible solutions to the long-term care issue, policy-makers on both the left and the right were

widely agreed on a certain number of points. First, they were all concerned with limiting the cost of a new benefit and were generally agreed that raising social contributions to create a specific insurance scheme was not an option. They were also all generally agreed that it was important to provide incentives to families to keep on caring, both because such a policy would prove less expensive than providing formal care, but also because it has generally been considered that too much state intervention is harmful to society as it undermines the moral fibre of family solidarity (Morel 2006).

A means-tested social assistance benefit for people over 60, the Specific Dependency Benefit (PSD) was set up in 1997. The PSD faced severe criticism for a number of reasons, however, and reform soon appeared necessary.

A new Personalized Autonomy Allowance (APA) was implemented in 2002 to remedy some of the main problems identified with the PSD. Although it remains a social assistance scheme managed at the regional level, it guarantees the same benefit levels everywhere in France. Dependency criteria have been extended, which has considerably increased the number of people eligible for this benefit. The benefit is no longer means-tested but the amount is reduced progressively for beneficiaries whose resources are above a certain ceiling (€949/month in 2002). Finally, the state can no longer reclaim some of the cost on the person's legacy. As with the PSD, the benefit can be used to remunerate an unemployed relative – other than the spouse – who provides care.

This new measure has proven very successful and the number of recipients increased rapidly, leading to higher than expected costs. This prompted the right-wing government to introduce new reforms in 2003 to reduce the cost of the benefit, most dramatically by lowering to €623 the income ceiling below which one is entitled to full benefits.

By providing a cash benefit to the dependent elderly, the idea has been to provide dependent persons with the means to decide on the type of care they want – i.e. to promote free choice – but also to develop low-skilled, low-paid, personal service jobs by transforming the dependent elderly into private employers.

Care as a source of (low-skilled, low-paid) employment. This has proven quite a successful employment strategy: between 1994 and 2004, the number of people employed in personal service jobs (home help, cleaning, childcare) almost doubled, from 639,000 up to 1.26 million. However, these consist mainly of short, part-time jobs, and the great majority of workers have little or no qualifications (CES 2007); wages are consequently quite low.

Thus, whether for young children or for the elderly, care policy reforms in France have increasingly sought to boost employment – albeit low-skilled and low-paid employment – by providing cash benefits to families to become private employers. Such a strategy has been further reinforced by the introduction in 2005 of a universal service cheque to enable people to hire the help they need, and thus to create employment.

Belgium: breaking away from egalitarianism

Just like France, Belgium has gone from policies promoting public day-care services to give all children an equal start in life to policies supporting more

private and family forms of care. Also as in France, this shift in policy has been presented as a way to promote 'free choice' for families.

Time to care. In an effort to synthesize both the Socialist demands for more gender equality through the development of childcare services, and the more traditional familialism of the Social Christians who were calling for more support to mothers (especially in poorer families) who chose to remain at home, the Social Christian–Socialist coalition promised, in 1968, to develop public services for the family to promote mothers' labour force participation while simultaneously proposing a childrearing allowance (the ASP – *Allocation socio-pédagogique*) to be paid to mothers who cared for their own children – an allowance which would have effectively discouraged the labour force participation of mothers. The justification for voting these two seemingly contradictory measures was, in the words of a Social Christian senator, to 'respect fully parents' liberty of conscience. They must be able to decide whether they will use a day nursery or they will raise their children themselves' (quoted in Marques-Pereira and Paye 2001: 65).

Although the parliament had passed this reform, the ASP was quickly amended due to budgetary constraints linked to the economic crisis, and was never implemented. The idea was not dropped altogether, however, and was eventually implemented in 1984 as part of a wider leave scheme, the Voluntary Career Break. This scheme is more than just a parental leave scheme, as workers can request a career break for any reason. It allows workers to take a paid, partial or full-time leave from their job with no risk of being laid off, for a period of six months to a year, renewable for a total of up to five years. The worker on leave must be replaced by another worker receiving full unemployment benefits. The leave benefit is paid at the lowest unemployment insurance rate, that is, the one available to an unemployed worker who is cohabiting (Marques-Pereira and Paye 2001).

Although the break can be taken for any reason, the government and the majority of parliamentarians assumed that the major use would be for childrearing, family reasons, or other personal reasons. The Voluntary Career Break has thus been widely seen as a form of parental leave. Yet this scheme's primary objective was not to help families reconcile work and family life. More fundamentally, it was an attempt to fight the situation of economic crisis and high unemployment that prevailed in Belgium in the early 1980s by redistributing work via part-time employment and flexible working time (*ibid.*).

This measure generated a fair amount of consensus, not least as it was presented under the gender-neutral rhetoric of 'free choice' – the choice to temporarily withdraw from the labour market to care for one's children. A few observers did note that it would probably be mostly women who would ask for the leave, which would constitute an additional labour market disadvantage for them since employers might prefer to hire men in order to avoid such interruptions, but such concerns with gender equality were strongly overshadowed by unemployment concerns. That it would be mostly women who would/could take such a leave was in fact reinforced by the type and low level of benefit paid to the person on leave: being based on the insurance

rate paid to an unemployed worker who is cohabiting, it assumes that the person on leave has a (male) breadwinner to rely on.

Developing personal service jobs. The creation of what could effectively be considered as a parental leave benefit was accompanied in the mid-1980s by other measures in the field of childcare that also served to 'redomesticate' childcare. In order to promote more 'free choice', the agency in charge of financing childcare services decided to subsidize home-care services provided by 'day-care mothers', i.e. care provided by childminders in their own homes, alongside the day nurseries. Tax deductions were introduced in 1987, leading to a tenfold increase in the number of day-care childminders in the French Community between 1985 and 1992 (Marques-Pereira and Paye 2001). Since then, the bulk of state subsidies for childcare has gone to this type of childcare and by 1996, there were twice as many places available with day-care mothers as in nurseries in Flanders (Kremer 2002).

Here one can see evident parallels with what was done in France during the same period both to combat 'black' labour and to raise employment levels. Such an approach, although couched in the rhetoric of 'free choice', was again guided by labour-market concerns and, just as in France, marked a notable shift away from the principle of giving all children an equal start in life through the provision of good-quality public childcare. The quality of these private forms of childcare has in fact been a source of debate in Belgium, as unlike workers employed in day nurseries, day-care mothers require no formal training (Marques-Pereira and Paye 2001).

Furthermore, these day-care mothers receive very low wages and pay very little tax or insurance contributions, and they have to rely on a male breadwinner for social rights such as pensions or sickness benefits (Kremer 2002). Day-care mothers therefore constitute a much cheaper and more flexible care workforce for the state than formal day-care institution workers.

Just as in France, this subsidized 'freedom of choice' has allowed higher-income women to combine work and family as they have been able to benefit from tax deductions when hiring a day-care mother, whereas low-income women have had to rely on the Career Break scheme to care for their children themselves. This redomestication of care has thus taken different forms for different women.

Policy developments since the late 1990s have been couched in a more gender-egalitarian language, although the design of these measures does nothing to modify gender roles. Thus, since 1998, each parent is entitled to three months of paid leave as an individual entitlement, but the benefit is flat-rate and paid at a very low level, thus effectively discouraging male take-up. The increase in 2001 from three to ten days of paternity leave is in line with policy developments across Europe.

In 2001, a more flexible time credit scheme replaced the previous system of career breaks. It includes the right to a specific leave (e.g. parental leave or leave to care for an ill family member). The underlying idea of this new time credit is that men and women must be given the opportunity to reconcile a professional career with family responsibilities, thanks to flexible entry and exit options.

The career break or time credit scheme has thus been designed in such a way that the same measure can be used to care for children or/and to care for dependent elderly relatives. The Flemish Community also developed a more specific (but modest) flat-rate care insurance for the dependent elderly in 2001 (Rottiers 2005).

Germany: towards a modified male-breadwinner model?

Germany has long promoted a strong male-breadwinner model, and strong family obligations. Until recently, mothers of small children were not expected to work and childcare facilities for children below 3 have traditionally been scarce (Lewis 1992; Ostner 1998). Some childcare facilities have developed for pedagogical reasons for children over 3 (kindergartens), but these only take children for half days, which means that mothers have tended to work part-time. More recently, new policies have developed to encourage women's labour market participation and to tackle Germany's low fertility problem.

The 1980s and early 1990s: keeping mothers and children at home. In 1986, the government introduced a childrearing allowance (*Erziehungsgeld*) and a parental leave (*Erziehungsurlaub*) as part of a 'family package', which compensated for some of the cuts in family benefits and tax allowances that had been made between 1982 and 1985. The parental leave enables parents to take a three-year leave from work to care for their children until the age of 3, but the childrearing allowance is only paid out during the first two years. It is a flat-rate benefit worth approximately €300 a month for a duration of two years. After the first six months, the benefit is reduced according to income. The parent on leave can continue to work for up to 19 hours a week, with no reduction in benefit. These schemes were introduced against a backdrop of rapidly increasing unemployment, and one of the central motives for introducing these schemes was to encourage women to return to their caring function and to withdraw from the labour market (Schiersmann 1991). That it was specifically women who were thus encouraged to withdraw from the labour market is evident from the very low level of the benefit.

In the early 1970s, less than 1 per cent of all children below the age of 3 and about 30 per cent of children between the ages of 3 and 6 had access to publicly financed childcare (Seeleib-Kaiser 2004). These figures remained stable for over two decades, and it was only in the early 1990s that childcare provision started to increase.

A timid expansion of childcare facilities in the 1990s. In 1992, the Children and Youth Act established a right to childcare for children aged 3 to 6, which was to come into effect in 1996. However, no federal government funds were made available for implementation, and no specification was made of the types of places (full-time or part-time) that were to be made available. Due to financial difficulties at the local level, implementation was delayed until 1999. Between 1992 and 1999, some 600,000 kindergarten places were nonetheless created (Evers *et al.* 2005).

Childcare coverage also improved a little for children under 3, and by 1996 there were 7.5 per cent of children under 3 attending publicly financed day care (*Krippen*) (Rostgaard and Fridberg 1998). This rise in figures, however, is not only due to greater investment in the West, but mostly to the reunification, since coverage levels were much higher in the East (even if they began to decline after the reunification).

A driving factor behind the new interest in childcare provision was the sharp drop in fertility rates. In 1995, fertility rates had plummeted to a very low 1.25 and this was increasingly perceived as a result of the lack of childcare facilities, since women were forced to choose between working and having children. Another key factor was the development of a discourse on gender equality at the EU level, which had an impact on the political debates in Germany. By 1998, supporting families, both financially and through the development of childcare provision, had become a major issue in the Social Democratic Party's election campaign.

New gender norms, new role for the state? Nowadays, mothers of children over 3 are expected to work, at least part-time. Full-time labour force participation has not yet become the norm, however, and the day-care places that were created during the 1990s are mostly for part-time care. By 1998, only one in four children aged 3 to 6 had access to a full-time place (Evers *et al.* 2005).

The development of childcare facilities slowed down after 1999, but in recent years the government has shown renewed interest in the development of childcare facilities for children under 3, including for full-time care (*ibid.*). For the first time, and due to the limited financial capacity of the *Länder*, the federal government has promised financial support for the development of childcare facilities, thus marking a break from the long-standing principle of subsidiarity.

A revised Federal Childcare Payment and Parental Leave Act came into force in 2001, allowing both parents to take parental leave at the same time, extending the permitted level of part-time work during parental leave from 19 to 30 hours a week, and giving parents the opportunity to take the third year of parental leave at any time until the eighth birthday of a child.

Most spectacularly, Germany introduced in January 2007 a parental leave benefit system in line with the Scandinavian model. The existing means-tested parental leave benefit has been replaced by a wage-dependent benefit for a period of one year, paid at 67 per cent of previous net income (up to €1,800). In order to encourage fathers to take a more active part in caring for their children, families can obtain an extra two months if both parents take some leave.

Developing low-paid, low-skilled carers for the elderly. With respect to elder care, Germany voted a compulsory, universal long-term care insurance (*Soziale Pflegeversicherung*) in 1994 (Götting *et al.* 1994; Morel 2006). Despite much discussion regarding the form and financing of the measure that was to be implemented, all political parties and actors involved had agreed on a few important points from the beginning. The first point was that home care should take precedence over care in nursing homes. Second, the scheme was

not to cover the cost of room and board in nursing homes, nor, in fact, the whole cost of care. Third, time spent in formal care work deserved credit within the pension scheme. The idea was to make caring more attractive so that caregivers, especially women of working age, would continue to care rather than enter the labour market. Indeed, the reform was by no means intended to reduce the quantity of care provided informally.

Benefits are neither means-tested nor income-related; the amount depends on the level of dependency and on whether the person receives institutional or domiciliary care. In the case of domiciliary care (70.3 per cent of long-term care insurance beneficiaries), recipients can choose between cash benefits, in-kind benefits or a combination of both. The cash benefit is paid to the dependent person, who can use it to remunerate a family member or other informal carer. When the insurance scheme was introduced, 84 per cent of persons receiving domiciliary support chose cash benefits only but this proportion had decreased to 72.6 per cent in 2001 (BMGS 2003), meaning that there is a progressive move towards services and a combination of cash and in-kind benefits, although surveys still report a greater preference for family-provided care (Lundsgaard 2005).

Domiciliary care services have rapidly expanded since the creation of this insurance scheme, but these services have remained low-skilled and low-paid. According to Ostner (1998), the absence of highly defined professional standards in the field of social care can be read as part of an important strategy against unemployment, as politicians of all persuasions perceive these cheap service jobs to be an important source of employment.

Netherlands: the 'combination scenario' as a part-time male-breadwinner model

It is in the Netherlands that the male-breadwinner ideal has been strongest and most long-lasting. Indeed, until the late 1980s, women's participation in the labour market was particularly low (below 40 per cent). Since the 1990s, however, women have worked in ever-greater numbers, and female participation rates are now much higher in the Netherlands than in our other three countries. This massive entry of women on the labour market has been made possible mostly thanks to policies that favour part-time and flexible employment. Indeed, 75 per cent of women only work part-time (Eurostat 2007).

Developing childcare facilities through the workplace. As in Germany, the principle of subsidiarity has been very strong, and childcare services have remained very underdeveloped. In 1988, only 2 per cent of children used subsidized childcare (Kremer 2002). The idea that the family should be the prime provider of care for children has remained well entrenched in the Netherlands, and even today it is considered best for children to attend part-time care only (Knijn 2001).

Childcare policies only began to develop in the 1990s, following a report by the Scientific Council for Government Policy from 1990. The report underlined the large waste of human capital due to women's inactivity and argued that this contributed to the Dutch welfare state crisis. In order to

ensure a sustainable welfare state, the government argued that it was necessary to invest in female labour market participation, and thus in childcare (Kremer 2002).

The state therefore introduced a Stimulative Measure on Childcare in 1990, which aimed to get employers to buy 'company places' for their employees in childcare facilities. These places are co-financed by the state, employers and employees, but the contribution by the state decreased from 53 to 33 per cent of the total cost between 1990 and 1998. Parents' contribution also decreased over this period, from 34 to 19 per cent, while employers' share has substantially increased, from 11 to 45 per cent of the cost (Knijn 2001). Despite this, parental fees remain high and most children attending day care therefore come from higher-income groups (Rostgaard and Fridberg 1998; Knijn 2001). This inequality is reinforced by the fact that employers can decide which category of their employees they buy day-care places for. Childcare provision is thus quite socially segmented, once again testifying to the stratifying dimension of this welfare regime.

Parallel to this development, the number of private childminders has also increased rapidly. While children making use of some form of childcare increased from 5 to 15 per cent between 1987 and 1999, the proportion cared for by a private childminder increased from 9 to 31 per cent during the same period (Knijn 2001).

The part-time miracle. Yet expansion in day-care provision has not been the only change in care arrangements to facilitate the reconciliation of work and family life. More important in this respect have been the various policies to promote part-time work. The promotion of part-time work was seen as a way to share work and therefore to combat unemployment. It was also portrayed as a way to allow parents to combine work and care, the idea being to move towards a model where both parents worked and cared part-time – the so-called 'combination scenario'.

Since 2000, all employees are entitled to ask their employer to switch to part-time work. This has been used by mothers of young children mostly as a means to reconcile work and family life, in the face of still insufficient day-care facilities. Today, the Netherlands has both the highest female labour-market participation rate in continental Europe (67.7 per cent), but also the highest level of female part-time work (75 per cent) (Eurostat 2007). However, unlike other countries, part-time work in the Netherlands enjoys strong protections.

Other measures have also been created to increase work flexibility and to respond to the needs of the family. The Work and Care Act of 2001 includes measures offering workers the possibility to put aside part of their salary in order to finance temporary breaks for family reasons.

In 2004, political discussion focused on the government's plans to introduce a 'lifespan leave' arrangement, giving workers greater scope to save for periods of time off during their careers. Care, education and training, leisure time and early retirement are all included and mutually exchangeable in this proposal. The various types of care leave already in existence, combined in the Work and Care Act, will coexist with this new arrangement.

Financially, the proposal is directed at reducing government expenditure by giving employees more responsibility and choice in whether to save for time off for care or for early retirement, or even not to save at all. The scope of this scheme may be somewhat limited, however, as only employees with a longer working history and with higher salaries can afford to save enough to take time off for any substantial leave period. For this reason, this measure is unlikely to be of any use as a source of parental leave because of the time necessary with the same employer to save up enough days (Morgan 2006).

Still a conservative welfare regime. Greater investment in childcare policies has not translated into any substantial transformation of the male-breadwinner model – and has not really sought to, either. Rather than invest more massively in day-care infrastructure, the choice was made to reduce working time for parents so that they can both work and care, i.e. care is still considered as something that should be carried out within the family. This policy was implemented without any real consideration of the likely gendered outcome of such a measure (Knijn 2001), the discourse focusing instead, as in the other three countries, on parents' free choice to decide how to arrange their work and family life.

Towards more informal care for the elderly? Surprisingly enough, although childcare provision has been quite underdeveloped, elder-care services on the other hand have long been much more extensive. In the Netherlands, elder care has mainly taken the form of institutional care, but this has begun to change over recent years with the attempt, as in most countries, to shift towards domiciliary care.

A new policy to support the purchase of private care was introduced, first on an experimental basis in 1991, and on a national level in 1995. This new policy takes the form of a 'personal budget', which entitles dependent people to a care allowance to be used for the purchase of care services, whether informal (from relatives) or professional. The introduction of this benefit is part of a move towards providing care recipients with greater freedom in deciding how best to service their needs. It is also, as in France and Germany, a way to offer some form of remuneration to informal carers – and thus to bring them into the labour market. The above-mentioned Work and Care Act of 2001 is another measure that has aimed at supporting informal care towards the elderly by giving it more recognition.

Conclusion: From Labour-shedding to Labour-cheapening

As we have seen, care policies in these four countries have been strongly shaped by, if not instrumentalized in, the ups and downs of Bismarckian labour market policies. From the mid-1980s to the late 1990s, when unemployment was high, women were either discouraged from entering the labour market (in Germany and the Netherlands) or, where women had already entered the labour market in the 1970s, as in France and Belgium, measures have been implemented to encourage their withdrawal from the labour market in order to 'free' jobs for men. A paradigmatic change can be

said to have taken place in the mid- to late 1990s, however, and these countries have since then sought to raise female employment rates. This has prompted an expansion of care policies, and signalled a new role for the state, which is taking on new responsibilities. The principle of subsidiarity has thus become weaker, and has been replaced instead by the idea of promoting 'free choice'.

While the aim of raising female employment rates marks a departure from the traditional male-breadwinner model, the care policies that have been developed have nonetheless retained a conservative flavour. Care policies have not attempted to modify the traditional gendered division of labour in the household, and the family (or at least a family-like) environment is still considered as the best locus of care. Care policies have also tended to reproduce and reinforce the social stratification dimension of Bismarckian welfare systems: while low-income women have been encouraged to make use of long, low-paid parental leave schemes, and thus to withdraw from the labour market, various measures facilitating the use of private forms of childcare have been developed for higher-income women. Such measures have typically taken the form of tax deductions and social contribution exemptions, thus contributing to a cheapening of the cost of labour in the personal service sector. A similar strategy has prevailed in the field of elder care, where the dependent elderly are encouraged to buy private personal services.

Thus it appears that, rather than develop good-quality jobs in the public sector, as in the social democratic welfare states, Bismarckian countries are responding to the service sector needs of post-industrial economies by promoting low-skilled, low-paid jobs. Women's entry into the labour market has also enabled a certain flexibilization of the labour force, most notably through the introduction of temporary leave schemes and opportunities to reduce working hours, both of which have proven successful with women looking for ways to reconcile their professional life with their family duties. One can therefore argue that care policies have provided Bismarckian countries with a means to circumvent certain labour market rigidities specific to these systems.

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Notes

1. Due to space constraints, elder-care policies are treated more succinctly in this article. The article by Da Roit, Le Bihan and Österle in this issue provides a more detailed account of these policies and their link with employment strategies.
2. She is here referring to the proposed modifications of both the parental leave scheme and of the AGED and AFEAMA, which we will discuss below.

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