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Because We Care: Centre-left parties' responses to new social risks and needs for social care

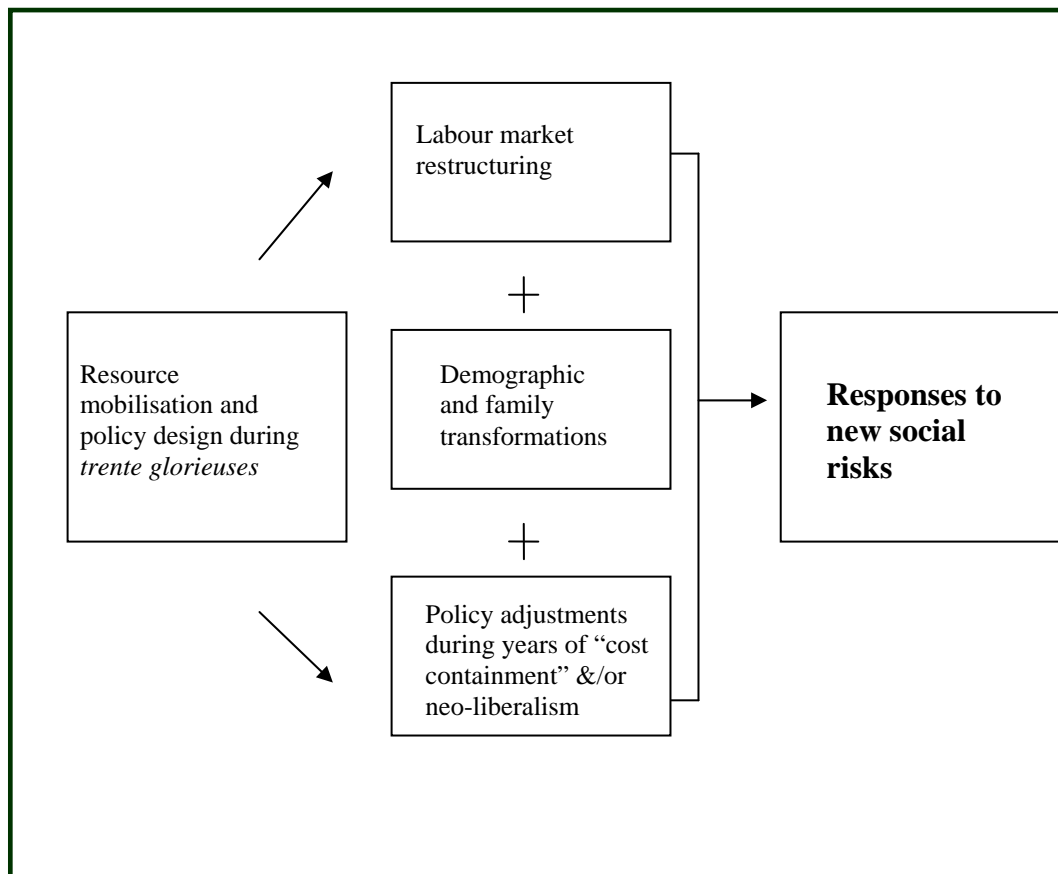
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In Europe, centre-left parties and the governments that they have formed or in which they have participated face a series of social policy challenges. Since the mid-1990s they have acted in an environment shaped by fundamental sociological and economic transformations that have put paid to many of the assumptions that informed the design of social policy during the *trente glorieuses*. The environment of these centre-lefts has also been profoundly altered by the almost two decades of neo-liberal politics and enthusiasm for remaking the role of the state that swept through European societies. While not all parties faced strong and avowedly neo-liberal opponents, all had to live with ideological currents in their own societies and international organisations that worked to delegitimize some of the most cherished victories of post-1945 social democracy.

Fundamental social and political changes have remade family and demographic patterns as well as labour markets, generating what have come to be called “new social risks.” These new social risks have significant consequences for the demand and supply of social care. Who will provide – and pay for – care for the vulnerable elderly, as the ranks of the “oldest of the old” swell across European societies? Who will provide – and pay for – nonparental childcare as all adults are drawn into paid employment? These questions are more challenging in some places than in others. Where the postwar settlement included a strict gender division of labour for paid and unpaid work, fundamental redesign is needed, whereas there is less of a policy challenge where public provision or financing of social care has been the norm for decades.

The responses of centre-lefts to the new social risks will depend on past policy design as well as sociological changes. The former, dating both from the heyday of social democracy and from the neoliberal years, helped structure social and labour market transformations throughout the postwar decades. The policy choices they prompted in the past shaped institutions. Therefore, even if there is less evidence of the weight of political mobilisation in the present, past effects can not be discounted. The model looks, then, like Figure 1.



After presenting the notion of new social risks and the challenges they present in more detail, this paper examines the responses to the new social risks, and particularly social care, of three centre-left parties, all of which have recently been in government. It will describe these responses primarily as being to “policy challenges” rather than ones primarily of political strategy. There are three reasons to see them this way.

First, as Francis Castles’ analysis of spending data in the OECD world shows, the initial trajectories set down by post-1945 politics remain quite solid. Thus, “politics matters,” but it is more the politics of the past rather than those of today that shape the pattern. Castles claims (2005: 428):

... the scope for major political difference over welfare state outcomes has considerably diminished. Most of the countries ... are now most appropriately described as ‘steady-state welfare states’, seeking to catch up with countries whose programme adoption was earlier than their own, responding to the ebb and flow of economic forces, and seeking ways to finesse the effects of demographic change.

There will not, in other words, be major falls or rises in spending levels, which is his indicator of what “matters.”

Important reforms are occurring, however. They may not affect the overall levels of state involvement, and there is certainly little evidence of major spending retrenchment, as was once predicted (Huber and Stephens, 2001; Castles, 2005: 428). But, close attention to policy and programme design reveals important redesigns. And, this close attention uncovers a second reason to focus on policy challenges. As Giuliano Bonoli (2005: 433) puts it when writing of the new social risks (which he terms NSR): “What is puzzling is that ... welfare states are being adapted, apparently in the absence of any significant form of political mobilisation by those who are most exposed to NSRs” (see also Armingeon, 2006: 101). Third, the focus on policy follows from the observation that there is consensus across centre-left and centre-right parties and governments about what the proper response should be, with the emphasis on increasing employment rates by providing the social services needed to allow people to take up work, on re-mixing the role of markets, families and community actors as well as the state to achieve a better balance than under neoliberalism, on making investments now in services and benefits that will have good pay-offs in the future, and on preventing social exclusion by promoting social inclusion (Jenson and Saint-Martin, 2006). As Keman, van Kersbergen and Vis (2006: 47) conclude in their study of the positions of social democratic and Christian democratic parties over the 1980s and 1990s, “... the overall trend is towards convergence.” This consensus leads to new choices about spending, resource shifts from one policy area to another, and a different mix of social transfers and services. It is not, however, necessarily reflected in major changes in the levels of spending although it has brought new ideas about the “the role of the state,” in particular seeing it as responsible for “social investments” rather than social protection.

New social risks – what are they?

The notion of new social risks, as any concept, is contested. Dispute turns both on its relevance (for sceptics - “pensions and health are the ‘big ticket items’!”; “people still get sick and old!”) and its definition. Starting from the now current understanding that “old social risks” – that is ageing, illness, unemployment and so on – remain both real in people’s lives and on the agenda of governments even as new social risks preoccupy them, I will focus here on the definitional issue and then the matter of policy design.

One can have a more or less expansive definition. In their analysis of the differential responses of welfare regime types to the reduction of old and new social risks Evelyne Huber and John Stephens focus on the “risk of a given social group to fall into poverty” (2006: 145). They then identify several groups at-risk of poverty, distinguishing between old risks (the elderly and the working-age population) and new (single mothers and children). Looking at Luxembourg

Income Study (LIS) data from the mid-1970s to the late 1990s,¹ they find that the only poverty risk reduced in all three regime types is among the elderly. In liberal and what they label Christian democratic welfare regimes, poverty rises for the other three groups over time (with the exception of single-mothers in liberal regimes, where there is a small reduction). The increase in poverty is highest among children.² In the social democratic regimes in contrast, poverty is reduced by taxes and transfers for all four groups, albeit only marginally for children (Huber and Stephens, 2006: 149-51).³

Another approach to defining new social risks can be summarised as the risks resulting from income and service gaps in post-industrial labour markets as well as demographic and social transformations. The working-age population as well as several specific categories, such as lone-parent families and those in need of social care, are at risk of social exclusion as well as low-income.⁴ Compared to the labour market of the industrial era, there has been a loss of well-paid and traditionally male jobs in production and an increase in low-paid and often precarious service work that may leave people among the “working poor.” These labour market shifts associated with the emergence of knowledge-based as well as service-sector employment create gaps in skills and earning capabilities. There has also been an increase in the female employment rate, as the service sector balloons and wages contract, making two incomes essential to keeping a family. Socially, family transformations mean smaller families and a significant increase in lone-parent families. Demographically, there has been a decline in the fertility rate and an increase in life expectancy.⁵

Such restructuring of labour markets and transformations of family and demography bring challenges of two broad types, both of which have consequences for social care arrangements. The first relates to the means of ensuring income security via labour market participation. If a single male wage supported several adults and children 50 years ago, this is less true today, both because of job losses in the industrial sector and the rise of the service sector with its traditionally lower paying jobs. More generally, the polarisation of the post-industrial income structure in many countries has generated an increase in low-income rates among young families, whether lone-parent or couples, and therefore the appearance of what has been termed “child poverty” in many policy circles. These patterns are often also concentrated among minority ethnic groups and in cities.

The second broad challenge is to social care provision. There are now serious contradictions within the models for balancing work and family and social reproduction that were used when designing social protection systems after 1945. For example, women’s higher labour force

¹ For details on the data see Huber and Stephens (2006: 146).

² The post-tax and transfer increases were lower than market results, however, and thereby document the effects of the welfare state’s redistribution effects.

³ They also document, of course, that these rates are lower after taxes and transfers than when only market incomes are considered; this is the effect of each welfare regime on income security.

⁴ For studies relying on these definitions see Esping-Anderson *et al.* (2002), Jenson (2004), Bonoli (2005; 2006) or Taylor-Gooby (2004).

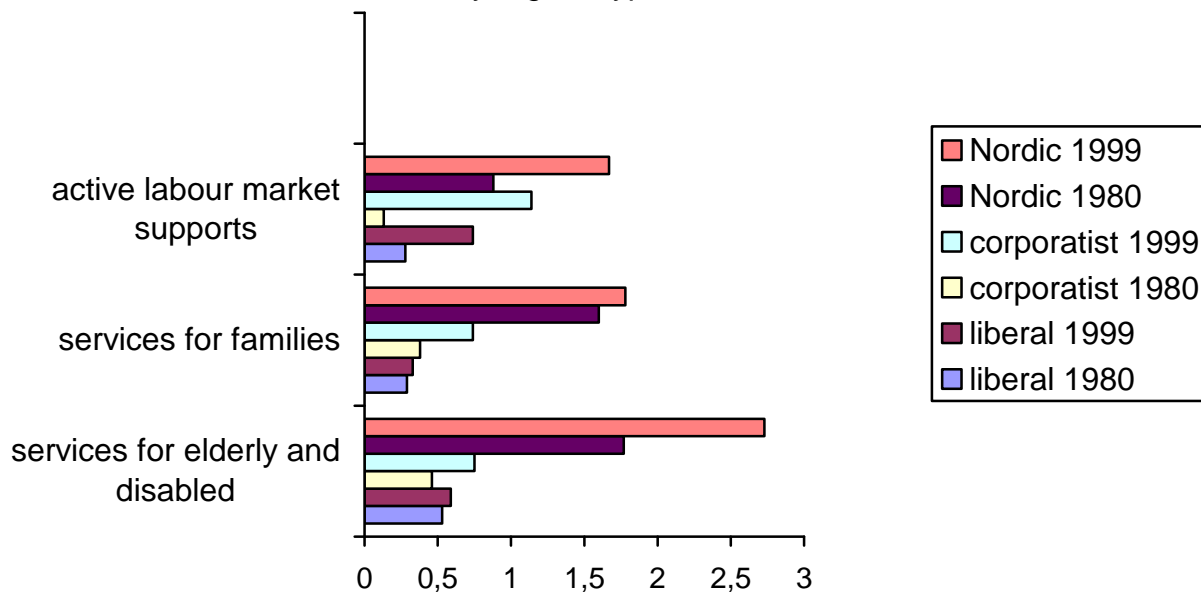
⁵ Many who use the concept include risks coming from past policy choices. For example, they see as a new social risk the probability of being excluded from public pension regimes or unemployment insurance (for example, Bonoli, 2006: 7; Taylor-Gooby, 2004: 7). I prefer to limit the list to risks induced by family and labour market restructuring.



participation means reduced availability for full-time family caring while lone-parent families have only one adult to provide both income and care. Ageing populations mean more vulnerable elderly in need of social care, whether formal or informal.

Governments have responded to the new structure of risk, albeit at different rates. Responses include not only ALMP but also redesign of programmes that actually discouraged people from taking up work because they would lose social benefits. As Tony Blair and Gerhard Schröder put it in their 1999 manifesto: “A welfare system that puts limits on an individual's ability to find a job must be reformed. Modern social democrats want to transform the safety net of entitlements into a springboard to personal responsibility.”⁶ Achieving these ends would involve income transfer to be sure, but additional services for social care as well as activation were understood to be needed as well. In a detailed analysis of spending patterns Francis Castles (2005: 420), comparing the years from 1990 to 2001 across 21 OECD countries, concludes that “... although the pace of structural change has not been dramatic, it has been quite consistent, suggesting a developmental tendency of precisely the kind predicted by the ‘new social risks’ hypothesis.” Across all regime types services have gained ground in the expenditure mix. With the exception of the Bismarkian continental cases, the shift was particularly pronounced in the last period for which he has data, 1998-2001 (Castles, 2005: 419). Changes in spending are the result, as Figure 2 documents. In all regime types, the 1999 numbers are higher than those of 1980, with the usual pattern of cross-regime generosity also being respected.

Figure 2
Spending trends on services for new social risks,
by regime type, % GDP



Source: developed from Taylor-Gooby, 2004: 16

⁶ The content and implications of this manifesto on the “third way” are discussed in detail in Green-Pedersen, van Kersbergen and Hemerijck (2001).

In his analysis of the responses, measured by macro outcomes,⁷ of various European countries to the new social risks, Bonoli (2006: 8-14) finds that the classic typology of welfare regimes continues to structure policy outcomes, with of course the usual range and variation that was present in the original mapping by Esping-Andersen (1990). The Nordic countries altered their policy positions, in some cases in the 1970s, so that the impact of new social risks was mitigated, if not eliminated in more recent decade. The continental European countries, in contrast, first reinforced traditional male breadwinner models, under pressure from the social partners, but in the last decade have recognised the significance of the challenges and are undertaking redesign. The liberal regimes, as is their wont, relied on market solutions to welfare problems and found themselves faced with some severe manifestations of the costs of new social risks.

The importance of examining redesign rather than simply spending is confirmed. Francis Castles found that between 1990 and 2001 cuts to social spending (as % of GDP) were greatest in Sweden (-1.9) while both the UK (2.3) and Germany (4.6) increased their social spending (2005: 416). The increases in non-Nordic countries of spending on both transfers and active programmes suggest another factor to be taken into account, that is the timing of policy redesign.

Centre-lefts respond to new social risks: three case studies

The first case studies reveal that the response to what are now termed “new social risks” by centre-left and centre-right governments in Sweden often came in the 1970s and 1980s. In the most recent decades, therefore, the Swedish pattern is often one of general spending reduction, albeit with continued attention to the policies designed to address new social risks (Castles, 2005: 416). The second case study is of a centre-left party responding rapidly to the situation inherited from neoliberal Conservative governments, with particular attention to child poverty and work-family balance as well as activation measures. It is a story of redesign and reallocation of resources from “passive” to “active” ones and towards “investments.” The third case is one of significantly later policy adjustments, with some of the most important implemented under a Grand Coalition rather than by the centre-left party.

A first responder: New social risks, social care and the Swedish Social Democrats

Swedish Social Democrats – Platform 2006

Work for all is the most important goal for social democracy. ...

Justice and security are the core values of social democratic welfare policy.

Along side these primary goals the social democrats intend to carry through reforms in the coming parliament that provide the basis for a long term modernisation of our country:

- 1) A competitive Sweden with modern jobs. ...*
- 2) Sweden, a model for the green turnaround. ...*
- 3) The next step in welfare policy involves dental care. ...*
- 4) Sweden will be the best of countries to grow up in. ...*
- 5) Sweden will be the best of countries in which to grow old. ...*
- 6) We all gain from supporting each other.*

⁷ He develops indicators for three macro relationships: spending on active labour market policy (ALMP) and on family services; the fertility gap and women’s labour force participation rate; wage inequality and level of low-skill employment. The clusters are the familiar ones of the “three worlds.”



If the new social risks are the result of labour market restructuring and new needs for social care, it is obvious that Sweden had a response to these risks well before the other two case studies. Indeed it had its Third Way before other countries were thinking of one. The Palme governments between 1982 and 1990 – and in response to the drop in the employers’ enthusiasm for corporatism – had promised a middle route between Thatcherism and Keynesianism (Ryner, 1999: 60). But responses to new social risks predated even the Swedish Third Way. This section will briefly describe those earlier responses that led eventually and by 2006 to the platform above.

While the early interventions had clearly structured labour markets in ways that helped mitigate some negative effects, they have not provided full protection or even employment to all. Precocious attention to ALMP and social care resulted in high employment rates and greater ease in balancing work and family in two income families than elsewhere. And, as we will see, children, as well as the elderly, have become a policy focus in ways that are quite different from earlier, one of six key policy targets. Their parents, qua parents, have virtually disappeared from the picture, however.

Public provision of non-parental childcare developed early in Sweden in comparison to many other non-Nordic countries. By the mid-1960s the “sex role debate” was roiling through the Social Democratic party and LO (the major labour federation).⁸ Led by feminists coming both from left and liberal circles, it was heated not only between left and right but also within the forces of the left. Eventually reaching a certain level of consensus by promising parents “choice” between work and care as well as about forms of non-parental care (centre-based or family daycare), new investments in services brought a rapid increase in childcare spaces, going from a modest 17,900 in 1965 to 224,900 a decade later. In the same years parental leaves were debated and introduced. In 1972 the Social Democratic party adopted the option of paid parental leaves, in doing so clearly rejecting the preference of the Centre Party and some liberal feminists for a “care allowance” that would cover parental as well as non-parental care.

This decision, which generated legislation two years later, as well as the commitment to public support for childcare was decisive for the way that social care has been organised in Sweden. Its continuing influence is found in governments’ decisions over the next decades about extending parental leave and childcare services. It also continues to shape the party’s approach to gender and employment, which is that all Swedes enjoy “the right of being both an active parent and an active gainful employee” (SAP, 2001: 15). As economic crisis shook Sweden in the 1990s, reliance on these policy instruments to organise social care were tested and debated but not abandoned. Electoral losses and the right in power brought a revival of the care allowance proposal, and the government of Carl Bildt introduced a “care wage.” The same government, however, also introduced a guarantee of a childcare place for any child whose parent wanted one, a promise which the Social Democrats had talked about for at least nine years, and a “father’s month” designed to induce parents to share parental leaves. On its return to office in 1994, the SAP rescinded the care allowance, while promising to institute a second “father’s month.”

⁸ The analysis and details in the next two paragraphs are from Daune-Richard and Mahon (2001).



Social care for the elderly was launched on a generous high road in post-1945 decades, as services and housing were arranged in ways to maximise the possibilities of the elderly, even when their health declined and their vulnerabilities increased, to live on their own, avoiding both residential care and dependence on their families. These early choices implied both improved housing and high levels of in-home services.

These instruments in the domain of social care have proven resilient but nonetheless under pressure as the new social risks structure the circumstances of more Swedes. The deep recession of the 1990s and subsequent restructuring hit several population categories particularly hard: young people, immigrants, lone parents, large families and households dependant on social security transfers, as reported in Sweden's national action plan against poverty and social exclusion. The cutbacks in social spending instituted at the time were particularly costly for young people, lone-parent families, recently arrived immigrants, and those poorly anchored in the labour market (Timonen, 2006: 85). Two responses will be considered here: addressing the needs of the elderly; and investing in children.

Awareness of population ageing and the expansion of the numbers of vulnerable elderly led to programme adjustments. The proportion of older persons receiving publicly provided home help has declined in Sweden in the last decades. Better-off seniors have moved into the private market to hire the help they need and poorer seniors have returned to reliance on their families. There are also labour shortages in the social care field. Poor working conditions and better job prospects drain workers to other sectors. Municipalities, responsible for providing home-care services, face severe labour shortages (Timonen, 2004: 89-92). These issues were addressed in the party platforms and programme of the current decade and as quoted above, Sweden was to become "the best country in which to grow old." Nonetheless, significant gaps remain between needs and services. In addition, attention to children and youth is outpacing that going to the elderly.⁹

Lone-parent families in Sweden have always been dealt with through standard labour market instruments; the only policy instrument that is directed particularly towards them is housing policy, which because of the conditions set makes them the only families likely to qualify (Halleröd, 2007: 26). As child poverty has become an increasing focus in numerous countries, Sweden has been one of the leaders, and this despite its very low rates of child poverty in international comparisons (Kamerma *et al.*, 2003: 6). In its 2000 path-setting study of child poverty in rich countries, UNICEF identified lone-parenthood as the overwhelmingly important factor in Swedish child poverty. Although having by far the lowest rate of child poverty overall (only 2.6 after taxes and transfers) the rate among lone-parent families, of which Sweden has the highest rate, was almost five times greater than that of two-parent families (UNICEF, 2000: 17; 10). Therefore, policy changes have been proposed, such as replacing the housing allowances by a more generous income transfer. This proposal has been opposed quite widely, however, including by the Ombudsman and therefore the policy falls back on increasing the employment of lone parents (Halleröd, 2007: 26).

Overall, however, attention is focused much less on "families" than "children." In a simple quantitative indicator, the Social Democrats 2006 platform mentioned families twice, parents

⁹ Alongside the two mentions of the "elderly" in SAP's 2001 programme were 32 going to children.

twice and children 25 times. Children had become the focus of policy interventions for combating poverty, achieving equality, and ensuring the future. This has been visible through the decade. The party programme of 2001 focused on children in overwhelming proportions. Thus the promise cited at the beginning of this section that “Sweden would be the best of countries to grow up in” translated into promises to invest in services for children because “the choices made by children today will determine the future of Sweden” (SAP, 2006: 3). Children have become actors in their own right, and hold the future of the country in their little hands!

While this shift to a focus on new social risks has occurred, it has not been without opposition. Trade unions and pensioners have used their solid organisational strength to defend earnings-related benefits and to launch campaigns for restore cuts to unemployment insurance. Nonetheless, there has also been the emergence of new coalitions, led by church groups and other actors from the third sector, which present something of a challenge to the long-standing organisation of Swedish politics around producer groups. These new coalitions promote the rights and advocate for the needs of groups such as immigrants and the working poor most touched by the new social risks (Timonen, 2004). Therefore, the political consequences of the Swedish-style response to new social risks remain to be assessed.

New Labour – social care in the context of child poverty and social investment

Labour Party Manifesto, 2005

Older people: Secure today, prepared for the future. Forward to new opportunities in old age, not back to poverty and insecurity

The British centre-left provides a classic example of a liberal welfare state’s response to the new social risks, one that focuses on market solutions to welfare problems. Ensuring adequate income is the key policy focus, so that social care choices can be made. Out of power for a decade and a half while Thatcher’s Conservatives reshaped the social as well as economic landscape, the party had ample time to reflect on ways to transform itself into *New Labour*. Eventually the social policy spotlight was refocused on new social risks, particularly worklessness and child poverty and solutions were framed in terms of social investments.¹⁰ Attention to public provision of social care services was almost exclusively confined to childcare. Care for the elderly remains market and family-based.

In the 1990s child poverty was high. Indeed, “a fifth of Britain’s children lived in poverty in the 1990s, a rate more than twice as high as in France or the Netherlands and five times higher than in Norway or Sweden And while child poverty has remained stable or risen only slightly in most industrial nations over the last 20 years, it tripled in Britain” UNICEF (2000: 21). The poverty rate was particularly high among lone-parent families, in which the employment rate was significantly lower than elsewhere: 47% as compared to 59% across the EU as a whole (Taylor-Gooby and Larsen, 2004: 58).

Given these patterns and under the pressure of successive electoral failures, John Smith established the Commission on Social Justice in 1992 to mark the 50th anniversary of the

¹⁰ In addition to the specific sources mentioned in this section, much of the analysis is from Dobrowolsky and Jenson (2005).



Beveridge Report. The Commission's report called for, among other things, more investments. For example, it said, "investing in skills, we raise people's capacity to add value to the economy, to take charge of their own lives, and to contribute to their families and communities" (CSJ, 1994: 119-20). It set out an argument for the advantages of spending on employability programmes rather than welfare, on life-long learning and on work for all. It made the point too that social justice is "an economic not merely a social necessity." The report also promoted a child focus for social investment: "the investment we make in babies and young children is wholly inadequate;" "children are not a private pleasure or a personal burden; they are 100 percent of the nation's future ... the best indicator of the capacity of our economy tomorrow is the quality of our children today" (CSJ, 1994: 122; 311). Finally, it concluded that: "the best way to help the one in three children growing up in poverty is to help their parents get jobs" (CSJ, 1994: 313).

Chosen leader after Smith's early death, Tony Blair rarely directly acknowledged any debt to the CSJ. Yet the Commission's skill in finding the middle ground within the divided party identified a path for New Labour when it took office. Housed in the IRPP and drafted by one of New Labour's rising stars, David Miliband, the CSJ's principles underpin the key values enunciated by Blair for New Labour. Reducing child poverty became one of the big policy ideas of the Labour government and in 1999 Tony Blair pledged to end it in a generation. For his part, Gordon Brown was in full agreement, saying for example: "Our children are our future and the most important investment we can make as a nation is in developing the potential of all our country's children. Together we can ensure that no child is left behind" (HM Treasury, 2001: iii-iv).

This focus on investing in children and ending child poverty came together with the issues of work and worklessness in several initiatives. New Labour's commitment to increasing access to employment came in the form of several New Deals. "New Deal policies provided intensive training and work preparation programmes and slightly enhanced rates of benefit, and were targeted on specific groups of those out of work, most prominently young people and lone parents" (Taylor-Gooby and Larsen, 2004: 68).

The redesign and enrichment of benefits for low-income employed and families have come in various tax credits and benefits, some targeting low-income workers and some intended to help families with children. The *Child Benefit* and *Child Tax Benefit* are available to adults caring for children, the latter being income-tested. In addition, some non-parental childcare costs are addressed by the *Working Tax Credit*. In other words, much of the redesigned social spending is work and/or child-tested. The 2005 *Manifesto* promised that "tailored help, especially for lone parents, is key but we are also committed to making work pay – with a guaranteed income of at least £258 per week for those with children and in full-time work."

A second type of child-focused programme has emphasized improving access to childcare. Again the goal is market-shaping. Over the years of Labour government childcare has always been treated as a support for working parents.¹¹ On this issue, the British government still continues to be much less convinced than are many other countries that high quality educational

¹¹ For example in the party's 2005 manifesto, consideration of childcare is concentrated in the chapter "Families: Support at work and at home."

care – and more than part-time nursery school – is good for all children. New Labour has always had clear ideas about the needs of children who are at-risk of suffering from childhood poverty – they need high-quality publicly supported services to compensate for disadvantage at home. *Sure Start*, a neighbourhood-based programme targeting disadvantaged children was the expression of this prong of the National Childcare Strategy launched in 1997. For the rest, the government continued – and continues – to promise parental choice. It prefers to “rely on private mechanisms through the expansion of childcare tax credits rather than the development of public childcare facilities” (Daguerre, 2006: 222).

New Labour has clearly responded to the new social risks. In contrast to both Sweden and, as we will see, Germany, much less attention has gone to the needs of the vulnerable elderly.¹² In line with its driving theme of “social investment” the Labour Party in office has focused on increasing employment via activation strategies and programmes of human capital (from the early years through post-secondary education). Adults and their needs for training and retraining have been a policy focus, albeit often justified by a link to ending child poverty (Dobrowolsky and Jenson, 2005). In contrast to Sweden, and somewhat unexpectedly for such a pure case of the social investment thematic, parents have not lost their place as policy targets. They remain linked to their children, who have become nonetheless political actors: “Children cannot be the forgotten constituency of politics; parents put their children first and they deserve support from government” (Labour Party *Manifesto* 2005: 79).

Germany: rethinking the risk structure

Coalition Agreement, 2005: 91

Our aim is to pursue a holistic policy for families, senior citizens, women and youth which promotes and reinforces solidarity between the generations and therefore of society as a whole. We want to encourage families to have more children, and we want a stronger role for the family in society. We want to make it clear that without children, Germany has no future.

Any analysis of the centre-left’s response to new social risks in Germany must take into account the strong structuring effects of previous policy choices, many of them themselves initiated by left governments or grand coalitions in which the Social Democrats played a key role. This observation justifies the choice of quotation at the head of this section. As a policy process in which corporatist political relations as well Bismarkian social insurance policy regimes has played a key role, the emphasis in studies of this case is often on stability and challenges to change. For example, Aust and Bönker (2004: 48) say: “while it is true that most of the new risks can ultimately be related to overall socio-economic trends in family structures or in demand for low-skilled labour, our analysis suggests that the very size and the particular effects of these changes have been strongly mediated by the existing welfare state institutions.”

With respect to one of the new social risks, Germany was an early innovator, albeit by relying on the traditional policy instruments of social insurance. In 1994 the CDU-led government instituted long-term care insurance, a proposal which had also been pushed by the SPD (Morel,

¹² The 2001 election manifesto, for example, did mention the need to support carers, but by far the overwhelming focus on the needs of the elderly was with regard to pensions and income. The balance in the 1997 and 2005 manifestos was the same.



2006: 233-34). Shifts in labour market policies and certainly in moving away from the male breadwinner model enshrined in so much of the German social architecture has been much slower in coming. However, much of the deadlock has been recently removed by the actions of the current Grand Coalition government headed by Angela Merkel.

With a traditionally strong industrial sector, highly regulated labour markets and low rates of women's employment, Germany's employment structure was characterised by a large proportion of permanent, full-time employment. Nonetheless the industrial sector has shrunk, women have entered the labour market, and non-standard – particularly part-time – employment has increased. The result is an increase in “mini-jobs,” in low-skill employment and in the numbers of the working poor (Aust and Bönker, 2004: 33-34).

In large part these policy stances adopted by the centre-left reflect a long-term process of change in party philosophy. “Although intellectually the Social Democrats had recognised the limits of Keynesian policies in the mid-1970s, they more or less continued to follow the traditional Social Democratic policy path in terms of economic and employment policies until the mid-1990s” (Seeleib-Kaiser *et al.*, 2005: 21). Thus change dates from the second half of the 1990s, just as in Britain. The market was also rehabilitated as social mechanism. As the Blair-Schröder manifesto (1999) put it:

... we need to apply our politics within a new economic framework, modernised for today, where government does all it can to support enterprise but never believes it is a substitute for enterprise. The essential function of markets must be complemented and improved by political action, not hampered by it. We support a market economy, not a market society.

If change has been slow with respect the new social risks of low-wage work and unemployment, the same is now less true with respect to social care, both for the elderly and children. In both cases, however, it has been governments of the right that have actually brought about the most reform.

In the Federal Republic of Germany the risk of long-term care until the 1990s was covered by a means-tested social assistance programme of last resort, and was a local government responsibility. Local authorities, however, found it increasingly difficult to meet the rising level of demand, and they turned to the central government to take responsibility for care for the frail elderly. There was also, as we have noted, some, albeit limited, mobilisation by the Social Democrats around the issue. The 1994 Care Insurance Act is a compulsory insurance regime that provides basic benefits to those in need of care, as assessed by an expert team including doctors, nurses and social workers. Benefits may be used in conjunction with personal resources or social assistance and may be taken in cash or in services. The incentive structure of the programme is to increase reliance on home care and informal care. The recipient has full control over its disbursement.¹³ The universal insurance scheme covers approximately 90% of the population (Morel, 2006: 234).

¹³ For further details see Jenson and Jacobzone (2000).



The focus in the German scheme – in contrast to those of some Nordic countries (Jenson and Jacobzone, 2000) – was almost exclusively on the needs of the vulnerable elderly and paid much less attention to the situation of informal carers (mostly female family members). While informal carers do receive some social security rights, the recipients' preference is by far for in-home care (71%) and within that for cash benefits (73%) rather than formal services (Morel, 2006: 243). This means that the domestic economy of benefit sharing remains private and unknown.

Family policy is the other area of major change in Germany, which is finally moving away from the male breadwinner model and towards acceptance of the need for public intervention to ensure better work-family reconciliation. Until well into the 1990s policy design favoured stay-at-home parents. A childcare allowance provided extended benefits to parents – read mothers – who remained out of the labour force for three years. The lack of non-parental childcare for infants and toddlers as well as school days that ended very early made it difficult to combine work and parenting even for school-age children. The tax system penalised a move from part-time to full-time work (Gottfried and O'Reilly, 2002: 44-45). Overall, Germany was characterised by both low rates of female labour force participation and the third lowest fertility rates in the EU 15.

Child poverty is now a focus, although demography is the key concern, as this 2008 report to the EU on Child Poverty says (Huster, Benz and Boeckh, 2008: 18):

Under the guiding idea that Germany needs “more children in the families and more families in society”, the federal government identifies three priorities with regard to children, youths and families for the current legislative period (2005 - 2009): support of young parents during the family formation phase (see the Day Care Development Act and the new Parental Benefit Act), strengthening the bond between the generations (see the new federal model programme “multigeneration facilities”) and more attention to be paid to children “born on the dark side of life” (meaning children who grow up under difficult social and economic conditions).

One policy instrument is the child benefit supplement, structured to partially cover the costs of child-rearing. As in Britain it is intended to encourage labour force participation. But the expert report on child poverty also claims that the concern about child poverty is only beginning (Huster, Benz and Boeckh, 2008: 19). The advantages or disadvantages of supplementing income of families with children have not received anywhere near the attention that has gone to them since 1997 in Britain.

Other policy instruments have received more attention. Parental leave underwent a major reform in 2001, with a clear emphasis on increasing flexibility. Both parents may take leave. They may do so at the same time or they may decide to split the leave in different combinations and at different times, until the child turns eight. Parents also gained the entitlement to work part-time during the first two years after the child's birth. Then a second wave of reform came in 2005 initiated by the Grand Coalition. An earnings-related parental benefit was introduced, providing a standard period of 12 months and 67% (topped out at €1,800/month) of the previous net income of the parent providing care. Also including a “use it or lose it” two months of paid

benefits, the design provides greater income replacement and includes clear encouragement for the second parent to take some leave (Daly and Seeleib-Kaiser, 2008: 5).

The Social Democrats have favoured promoting a better supply of childcare for a number of years, in line with their preferences for providing services rather than simply income transfers (Huster, Benz and Boeckh, 2008: 20). The *Day Care Development Act* of 2005 required municipalities to provide day care for all children under age 3 whose parents were in work or in education and training. Then the Grand Coalition government in spring 2007 promised to increase publicly financed or subsidised care to fully meet demand by 2013. That year as well was targeted for introduction of an individual entitlement to childcare for every child. Estimates are that coverage will increase for infants and toddlers from approximately 14% in 2005-06 to 35% by 2013 (Daly and Seeleib-Kaiser, 2008: 3).

Parental leaves and childcare provision represent responses to new social risks. Labour market policies have focused on increasing flexibility, but as noted it has been hard to incorporate them into the existing Bismarkian arrangements. Much more than in Sweden or Britain, the German responses have paid attention to the new social risk of declining fertility. Many analysts attribute the higher level of this risk in Germany to the long-standing commitment in social policy design to the male breadwinner model and lack of attention to reconciling work and family until recently. Families were forced to choose between two-incomes and children. Policy reforms in this decade have been driven as much by concerns about demography as by social justice.

Concluding remarks

These three patterns of response by centre-lefts to new social risks and their consequences for social care follow the model set out at the beginning. Initial policy trajectories within a world of welfare, itself structured by left politics during the *trente glorieuses*, have also shaped responses to new risks. Swedish Social Democrats' early response – to what were it must be said seen as “old risks” of labour market shortages – helped to structure a social care regime of significant public responsibility for both child and elder care. While Sweden struggles with poverty among lone-parent families, a problem which is rising in importance and seems somewhat intractable to classic solutions, challenges of social care have been less pressing for the Social Democrats than elsewhere. In the British case, the social care solutions follow the preference for market solutions, even as residualism and assumptions about the male breadwinner model shape the provision of social care. New Labour has, through dint of harping on social investments, managed to increase the supply of childcare but the emphasis on parental “choice” has generated a system in which quality is an issue. In the meantime, attention to care for the elderly receives limited attention, in comparison to the other two cases. The German Social Democrats have faced a long road to response, caught between their allies, their own ideology and an imploding Bismarkian regime. While a precocious insurance system for the vulnerable elderly was adopted, care for children remained a family – and women's responsibility – until very recently. Moreover, the responses to the challenges of social care as new social risks intensify in Germany have, in several cases, followed the concerns and preferences of the Christian Democrats more than the SPD, with all the consequences that may imply for generosity and social justice.



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