Social Investment or Gender Equality? Aims, Instruments and Outcomes of Parental Leave Reforms in Germany and Sweden

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Abstract

Since the 1990s, investive social policy became one of the guiding principles of the “new welfare state”. On the one hand, this approach comes along with an increased awareness of gender equality, while at the same time has been criticized as being too unidimensional and focusing exclusively on women’s employability. In this paper, recent parental leave reforms in Germany and Sweden will be scrutinized through the lens of this social policy shift. We have chosen two countries for our comparison with different regime arrangements. While Germany is the prototype of a conservative welfare state with a (modernized) male breadwinner model, Sweden belongs to the social democratic “northern” welfare states with a two earner/carer model.

It will be analysed if recent parental leave reforms in Germany and Sweden are shaped by the social investment paradigm and/or by the gender equality paradigm and if the two countries are converging or remaining different in relation to aims, policy instruments, and outcomes regarding parental leave.

As Sweden has since long been portrayed as a forerunner in gender-equality policies, while Germany is usually portrayed as a slowly changing male-breadwinner model with strong conservative influences, it is sensible to assume that the gender-equality paradigm is stronger in Sweden. While our analysis of the aims and outcomes of the parental leave policies support this picture, the actual design of policy instruments shows less clear

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differences. We show that in fact the gender-equality component which most directly aims at recognizing care and women’s position on the labour market is stronger in Germany than in Sweden.

1. Introduction

Since the 1990s, investive social policy became one of the guiding principles of the “new welfare state” (Giddens 1998; Esping-Andersen 2002; Morel, Palier, and Palme 2011). The perspective of an investive social policy is future-orientated: welfare state investment is necessary to develop future human capital in order to survive and succeed within the global economic arena. Objectives of such a welfare policy strategy are higher fertility rates, an improved use of the human capital of women/mothers, an increased early childhood education and a more qualified labour force. From a gender perspective, this social policy shift goes along with increased gender awareness. Feminists, however, criticize the investive approach for being “too instrumental” and “too uni-dimensional” by focusing mainly on female employment and reconciliation of work and family (Saraceno 2015, 265; Jenson 2009).

Within social investment policies, parental leave regulations are crucial (Morel, Palier, and Palme 2011). In this article, parental leave reforms in Germany and Sweden will be scrutinized through the lens of this social policy shift. We have chosen two countries, which have recently reformed their parental leave schemes, for our comparison with different regime arrangements. While Germany is the prototype of a conservative welfare state with a (modernized) male breadwinner model, Sweden belongs to the social democratic “northern” welfare states with a two earner/carer model (Esping-Andersen 1990; Misra, Moller, and Budig 2007a). In 2007, a major parental benefit reform was enforced in Germany – along the lines of the Swedish parental insurance. The Swedish parental leave system is much older, but has been reformed in 2002 and thereafter. We will analyse if these recent reforms in Germany and Sweden were shaped by the social investment paradigm and/or by the gender equality paradigm and if the two countries are converging or diverging in relation to aims, policy instruments and outcomes regarding the paid parental leave schemes. As the Swedish parental insurance was originally introduced with a strong aim towards increasing gender equality, and as equality between men and women has long been an integral goal of the Swedish welfare state (SOU:2005:73 107-118; Kolbe 2002; Misra, Moller, and Budig 2007b; Nässman 1994), we expect the Swedish reform to be clearly guided by the gender equality paradigm. In contrast to the Swedish welfare state, the German welfare state has long been characterized as rather working against than for gender-equality (Berghahn et al. 2007; Larsen 2005; Lewis and Ostner 1994; Pinl 2003; Bussemaker and Van Kersbergen 1999). As the new parental benefit was introduced in the context of demographic change, we expect the German reforms to follow a social investment more strictly than a gender equality paradigm.
We start in chapter two with a presentation of the social investment paradigm and the gender equality paradigm regarding their overlapping areas and their differences. In the empirical part of our article (chapter 3), we compare the aims, instruments and outcomes of the Swedish and the German paid parental leave reforms, introduced since the turn of the millennium, on the basis of the analytical framework we have developed. As a result, we can show how the reforms in the two countries fit into the two different paradigms. In our concluding remarks (chapter four), we interpret the empirical findings with regard to national social policy traditions and trajectories.

2. Social investment and gender equality: theoretical and analytical considerations

Before discussing similarities and differences between the social investment and the gender equality paradigms, the concept of “paradigm” has to be explained in more detail. We build our understanding of the term “paradigm” on Hall’s definition of the concept. He includes in a paradigm the understanding of a problem, the aims that are followed to solve it, and the policy instruments that are used to achieve the presented aims (Hall 1993, 279). It should be noted though that Hall emphasizes the extent to which such a paradigm, its problem definition and given solutions are taken for granted. In our analysis, we rather emphasize the characteristic that a paradigm presents a coherent view of a problem and possible solutions according to its inherent logic. If the actors who work in line with the paradigm in question are aware of it or not, is not at the core of our analysis. We seek instead to analyse which of these partly overlapping and partly competing paradigms (social investment and gender equality) has a stronger influence in recent reforms of the parental leave benefits in Germany and Sweden.

2.1 Social investment and gender equality: overlapping but still different paradigms

The social investment paradigm has many times been described as a successor of an era of welfare state retrenchment based on neoliberal ideas. While the latter one mainly implied benefit cut backs and a shift of responsibilities from the state to individuals, families or the third sector, the social investment perspective implies not mainly the demand for less, but rather different state involvement (see for example: Morel, Palier, and Palme 2011).

At its core, the social investment paradigm builds on employment and employability as measures against poverty. A greater share of the population should engage in the labour market and be able to adapt to its changes. The welfare state’s role is to facilitate the employability of people through the support of lifelong learning and early childhood education. A central target group for employability measures are women and especially mothers. Often well educated, they are excluded from the labour market as they are usually assigned the main responsibility in care work. Social investment policies, therefore, also target the reconciliation of work and family. This is, for example, addressed through the
expansion of childcare services (Rothgang and Preuss 2008; Evers and Heinze 2008; Taylor-Gooby 2004; Morel, Palier, and Palme 2011).

With regard to the enablement of women to work, the social investment paradigm and the gender equality paradigm overlap and move in the same direction. Still, the idea of gender equality contains more than just a higher grade of women’s employability.

Gender equality is a very broad term and includes different aspects in different contexts. Nancy Fraser gives an impression of the partly conflictive strategies that have to be followed by welfare states to achieve greater gender equality in her discussion of the “redistribution-recognition dilemma” (Fraser 1997, 11-39). Our conceptualization of the gender equality paradigm in the welfare state context builds on this inclusive definition.

On the one hand, according to Fraser, resources as well as paid and unpaid work have to be redistributed between the sexes to achieve greater equality between men and women. This refers to income, but also to leisure time and power. Viewed over the long run, this redistribution strategy should aim at “putting gender out of business” as a category that defines a person’s social status.

On the other hand, women’s traditional work has to be recognized. This claim for recognition refers to the unpaid care- and housework, but also to a higher valorisation of typical female occupations. These two strategies – redistribution and recognition – pull in opposite directions as redistribution aims at making gender unnecessary as a category while recognition aims at revaluing what is perceived as typically female. Even if the simultaneous implementation of these two strategies is difficult, it is still possible according to Fraser (Fraser 1997, 11-39).

The strategies presented for achieving gender equality have different relations to the social investment paradigm. The redistribution strategy fits partly well with the idea of social investment. Female labour market participation is advocated in both approaches. If men and women have the same access to leisure time or power resources, or if unpaid work is divided unequally between the sexes, however, is not a question that is addressed by social investment aims, while it is clearly a part of the gender equality paradigm.

The recognition strategy is more clearly at odds with the social investment paradigm. Social investment values paid work higher than unpaid work and defines the latter mainly as a responsibility that has to be taken care of in a way that interferes as little as possible with a person’s ability to engage in the labour market. In Fraser’s perception of gender equality that we use as a basis in our analysis, however, unpaid care work is of essential societal importance. Overall, the social investment strategy does not question an androcentric world-view.
2.2 Gender equality, social investment or both? An analytical framework with regard to parental leave regulations

To analyse if the parental leave benefit reforms are more in line with the social investment or the gender equality paradigm we need a more hands-on description of policy aims and instruments which are characteristic for those ideas (Table 2.1).

**Tab. 2.1 Analytical framework for the social investment- and gender-equality paradigm with regard to parental leave**

<table>
<thead>
<tr>
<th></th>
<th>Social investment</th>
<th>Gender equality</th>
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<tbody>
<tr>
<td><strong>Policy aims</strong></td>
<td>Increase of women’s integration in the labour market</td>
<td>Increase of women’s integration in the labour market and increase of men’s engagement in care work</td>
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<td></td>
<td>Reduction of family poverty and welfare dependence</td>
<td>Reduction of income inequality between men and women and prevention of women’s financial dependence of their male partners</td>
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<td></td>
<td>Higher birth rate</td>
<td>Recognition and valorisation of care work</td>
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<tr>
<td><strong>Policy instruments</strong></td>
<td>Short parental leave with generous wage-replacement</td>
<td>Short parental leave with generous wage-replacement</td>
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<td>Possibility to combine parental leave with part-time work</td>
<td>Possibility to combine parental leave with part-time work</td>
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<td>Benefits for care work even for those who have not engaged in the labour market (in line with the aim to valorise care work as such)</td>
<td>Incitements for fathers to take care leave (e.g. through reserved months)</td>
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<td>Incitements for shared parenthood (e.g. through granting longer periods of paid parental leave if both parents work part-time simultaneously)</td>
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The *policy aims* of the social investment paradigm and the gender equality paradigm are, as discussed earlier, partialy overlapping. Both paradigms call for a higher integration of
women in the labour market – but for different reasons: the social investment paradigm bases this demand on human capital use of mothers, the aim to prevent family poverty and long dependencies on welfare benefits. The gender equality paradigm operates instead on a more general level of social justice, aiming at income equality, a more just distribution of paid work between the sexes and the abolition of labour market segregation. Furthermore, the social investment paradigm aims at raising birth rates, mainly to sustain the welfare state, which is under pressure as the population is aging. Such an aim is not part of the gender equality paradigm. The goal here is rather to valorise care work which is mainly executed by women and which is less valorised than full-time paid work.

As the aims partly overlap, policy instruments and parental leave benefits can be similar in view of the two paradigms. A short parental leave that allows mothers to drop out of work for only a certain period of time is in line with both paradigms. A generous wage-replacement is also supported by both approaches, but again with different intentions: it helps to prevent family poverty (social investment), and it recognises care work and fosters women’s financial independence (gender equality). Still, policy instruments, which mainly aim at valuing care work as such, are congruent with the gender equality perspective, while they do not really fit in the social investment paradigm. The social investment paradigm does not provide a critical perspective on the low valorisation of care work. It simply does not address this subject. Therefore, strictly speaking, a universal payment for those on care leave is rather following the gender equality paradigm than the social investment paradigm. The gender equality paradigm calls for further measures that encourage men and women to share the care leave, like non-transferable months or incentives for shared parenting in the sense of working part-time simultaneously.

As gender-equality has been an integral part of the Swedish welfare state for many decades, while only an integral part of the German one for a much shorter time, we expect the gender-equality paradigm to be stronger in the Swedish welfare state with regard to aims, instruments and outcomes of recent reforms of parental leave benefits.

3. Parental leave regulations in the context of the social investment and the gender equality paradigm

3.1 Policy instruments

In Sweden, the idea of the föräldraförsäkringen (a wage-replacing parental insurance) was already introduced in 1974. Gender equality and the right of women to work, as well as the beneficial effects of public childcare for children were put forward by the Social Democratic Party as central reasons for introducing this measure. Back then, the leave period was 180 days and the replacement rate was 90% of earlier income. Both the replacement rate and the length changed in several stages during the following decades. The parental leave replaced the earlier maternity insurance which was only available for mothers (SOU:2005:73, 107-118). The insurance, thereby, represented a shift from defining
parenthood as an exclusively female issue towards recognizing the fathers’ role and responsibility in care work. Today, 13 months of care leave are covered by a wage related benefit with a replacement rate of 80% of earlier wages up to a maximum amount in Sweden. Through this wage-replacement character, the status of carers who have taken part in the labour market is maintained. This principle applies up to a maximum amount, which is altered every year in relation to the general development of prices and incomes. In 2008, the maximum parental insurance amounted to about 1,860 Euro a month (Försäkringskassan 2010, 19). The second component of the paid parental leave, the grundnivå, is a universal flat-rate benefit. Everyone on parental leave, irrespective of labour market performance or need, receives at least this amount, which is approximately 800 Euro per month in Sweden.

During parental leave, parents are allowed to work part-time. Thereby, only the time that is actually taken as leave from work is defined as used up parental leave time: if a parent takes a 50% leave from work for a year for example, he or she has not exhausted a whole year of parental leave, but half a year. Both parents can take partial leave from work simultaneously. In Sweden, three months of the parental leave are reserved for each parent. The non-transferable months were introduced one by one – the first one in 1995, the second in 2002 and the third in 2016 (Försäkringskassan 2012; ISF 2012, 20-22; Dagens Nyheter 03/11/2015). If a single parent has joint custody with the other parent of the child, the non-transferable months are still non-transferable and expire if he or she (most usually this applies to fathers) choses to not take parental leave. This regulation is discussed as causing problems for single mothers in Sweden (SVT 29/12/2015).

As of July 2008, parents who divide their parental leave equally among themselves can receive a so-called jämställdhetsbonus (gender equality bonus), on top of their parental insurance. The more equally the parents share the parental leave that is not reserved for one of them, the higher the bonus they receive. It can amount to a maximum of about 1,500 Euro per child (ISF 2012, 21-22).

In Germany, the Elterngeld (paid parental leave or parental benefit) was introduced in 2007 (see also Leitner in this volume). Before the introduction of the parental benefit, a comparably low care allowance was in effect which was paid up to two years to parents below a certain household income. In contrast to Sweden, the shift here was from a measure, that was a universal flat-rate payment aimed at preventing family poverty, to a measure that combined a wage-related component – which differs in amount according to earlier wages – and a universal flat-rate component, which is less generous than the allowance that was in effect before.

In Germany, the wage-related component of the benefit is paid for up to 14 months and it is overall more complex than in Sweden. Instead of one fixed wage replacement, the rate varies from 65% for monthly net incomes of 1,240 Euro and higher to up to a 100% of monthly net income of 1,000 Euro and lower. Furthermore, the paid parental leave cannot rise above 1,800 Euro in Germany – in contrast to the Swedish maximum, this amount is
In the German version of the paid parental leave, two months are non-transferable and expire if they are not taken by the mother or father respectively (Bundesministerium für Familien, Senioren, Frauen und Jugend 2012).

In Germany, there is also a universal flat-rate benefit of 300 Euro, which is called Mindestelterngeld. While the Swedish benefit is taxed, the German is tax-free (Försäkringskassan 2011a; Bundesministerium für Familien, Senioren, Frauen und Jugend 2012; Försäkringskassan 2016).

One parent can only use twelve months of the parental leave. It can be extended up to 14 months, if the other partner, mostly the father, uses the two non-transferable months. Single mothers have the right to 14 months of paid parental leave.

Since the year 2015, the Elterngeld Plus (parental benefit plus) has been introduced in Germany. Parents who work part-time can receive half of the parental benefit up to 28 months. The regulation is now focused more on shared parenting. Therefore, a so-called Partnerschaftsbonus (partnership bonus) has also been introduced. Parents who work part-time simultaneously get another four months paid parental leave (Bundesministerium für Familien, Senioren, Frauen und Jugend 2014).

To sum it up, the current design of the paid parental leave regulations in Germany and Sweden is fairly similar. In both countries, the benefit contains a wage-replacement benefit for those who were in paid work before the parental leave and a universal flat-rate component for those who are not eligible to the wage-replacement. The length of the paid parental leave is a little more than a year in both countries. It can be received by mothers and fathers, and there are some months that are reserved for each parent which are also labelled as “fathers’ quotas” or “daddy months”. Are these similar instruments guided by the social investment paradigm, the gender-equality paradigm or both? And what about the small, but existing differences in the Swedish and the German policy – is one principle more pronounced in one country than the other? The wage-replacing character of the parental leave benefit and the duration of just over one year fit well with the social investment and the gender equality paradigm in both countries: women are encouraged to engage in paid work before and after their parental leave, and their financial situation during the leave is better compared to the low flat rate amount. While the Swedish insurance looks overall more generous at first sight, this difference to the German parental insurance decreases considerably after taking into account taxation effects.

The flat-rate amount for labour market outsiders is harder to characterize. On the one hand, such a universal payment valorises care work as such, as it is not conditioned by earlier work performance or need. At the same time, it is too low to secure the carers financial situation or change the hierarchy in payment of labour market participation versus care work. Therefore, it also fits with the social investment paradigm, as it does not work against the higher valorisation of labour market engagement and provides indirect incentives to engage in paid work rather than care-work.
The daddy months are instead a measure, which more clearly follows the gender equality paradigm, as men are strongly encouraged to take at least this part of the leave. The redistribution of care work is supported through this policy instrument. Here Sweden is a pioneer because they have already implemented three non-transferable months.

Regarding the differences between the two countries, the low-wage bonus in the German wage-related component moves away from a straightforward implementation of wage-replacement and provides higher benefits for those with a net-income below 1,000 Euro a month. Women are clearly overrepresented in this group (Voss and Weinkopf 2012). Through this measure, the German welfare state recognizes the subordinate integration of mothers in the labour market and redistributes income towards just this group, decreasing the income difference between men and women. It also helps to prevent poverty with regard to low-wage families. Therefore, this component of the German parental insurance is influenced by the gender equality and the social investment paradigm. From a gender-equality perspective, this measure has an ambivalent character as it might lead to a stabilization of mothers’ as being seen as default carers and second earners. For a family it is economically much more sensible for the lower earning mother to stay at home if she receives up to 100% of her salary than for the higher earning father who is oftentimes likely to receive only 65% or less of his earlier salary. While this bonus improves the immediate financial situation of the caring mother, it also cements her role as the default carer. The low-wage bonus can, therefore, from a gender equality perspective, be described as an “affirmative” rather than “transformative” measure – improving the immediate situation of women, but not necessarily leading to more gender equality in the long run.

In Sweden, the gender equality bonus and the third reserved month in the parental insurance are rather following the gender equality than the social investment paradigm as they aim at a more just distribution of paid and unpaid work between men and women. An equal division of parental leave between the parents led to extra payments. This is also true for the partnership bonus that has recently been introduced in Germany. It should be mentioned that the Swedish gender equality bonus will be cancelled in 2017 as the Social Democrats, who plan to abolished it, argue that it is ineffective (Dagens Nyheter 16/09/2015). According to an analysis by the Swedish Social Insurance Inspectorate, the bonus has no measurable effects on the division of parental leave between mothers and fathers (ISF 2012).

Overall, the analysis of the German and the Swedish parental leave benefits in the light of the social investment and the gender equality paradigm shows that the existing regulations are guided by a mixture of both paradigms. The rather small differences that exist across the two countries are partly in line with our expectations: as the Swedish parental insurance provides three non-transferable months while Germany only provides two, this part of the parental insurance expresses a commitment to gender equality in Sweden more clearly. Furthermore, the Swedish wage replacement rate is higher than the German one, which also constitutes an incentive for fathers to use more than the few non-transferable months. Yet another component, the German low-wage bonus, speaks for the
recognition of mothers’ subordinate labour market integration. Such a commitment to the recognition principle is absent in the Swedish regulation. The German wage-related component of the parental leave benefit is thus more committed to the gender equality paradigm than the Swedish one.

3.2 Policy aims

The empirical analysis of the political arguments and debates is based on relevant documents of the political processes. When comparing Sweden, the parliamentary discussions preceding the expansion of the fathers’ quotas (2002/2016) and the introduction of the gender equality bonus (2008) are analysed (Riksdagens Protokoll 2000, 2007, 2015). For the German case, we look at the introduction of the German paid parental leave in the year 2007 (preamble of the law and parliamentary speeches of the Grand Coalition) and its further development, especially the introduction of the parental benefit plus in the year 2016. We focus on arguments that are expressed by government members as well as criticism from opposition.

In Sweden, the introduction of the second non-transferable month in parental insurance in 2002 has been explicitly driven by the idea of enhancing a more gender-equal division of care work between mothers and fathers. It was introduced under the Social Democratic government led by minister-president Persson. To not intrude too much on parent’s room to manoeuvre, the parental insurance was prolonged by one month at the same time. The second daddy month was brought forward by the Environmental Party and later on supported by the Social Democrats and the Left Party (Aftonbladet 30/03/2000; Riksdagens Protokoll 2000).

In Sweden, the role of the fathers plays a central role in the debate about the daddy months. Social investment arguments on mothers’ higher integration in the labour market are hardly named at all. Instead, the Environmental Party, the Social Democrats and the Left Party strongly emphasize the value of fathers being at home, caring for their children. The second daddy month has been presented as a support for fathers who want to take longer care leave, to improve their bargaining positions towards their employers or even towards their partners (Riksdagens Protokoll 2000: 149; 152; 155).

These arguments show a strong commitment to the gender equality paradigm as they emphasize the worth of care work as such and the worth of fathers’ engaging in it, beyond the issue of mothers’ labour market integration. The parties who advocate the introduction of the second daddy month also put forward that these months can also be used by fathers who want to reduce their working time and get parental benefit for this reduction. Such a flexible use of parental insurance is very common in Sweden and is for example used to reduce children’s time at day care centres. The fathers’ role and the presentation of the non-transferable months as the fathers’ privilege rather than their duty has also been
emphasized in the political debates. Additionally, those who oppose the extra fathers’ quota refer to gender equality as an important aim of family policy. They state clearly that they are also advocates of a higher engagement of fathers’ in care work, but are opposed to such a “forceful” way of achieving it (Riksdagens Protokoll 2000: 139, 143, 149).

The third daddy month, which was introduced in 2016 has been debated in a similar manner, even if some aspects differ. This time, the Social Democrats, the Environmental Party, the Left Party and the Liberal Party advocated the reform. Once more, fathers and their role are mentioned, but this issue is less dominant than in the debate on the introduction of the second non-transferable month (Riksdagens Protokoll 2015: 36). Gender equality in general is taken up more often and the connection between a gender-equal labour market and gender equality in the family is put forward by the advocates of the third daddy month (Riksdagens Protokoll 2015: 23, 33). The Left Party even argues for a complete individualisation of the parental leave benefit in the long run in that each parent would have an individual right to half of the parental leave, without the possibility of transferring the leave to the other parent (ibid.: 23).

Again those opposed to the introduction of the third non-transferable month argue that they clearly are in favour of gender equality and a higher engagement of men in care work, but that they are against this kind of political decision-making in the family sphere (ibid.: 18, 20, 27, 53). This argument regarding family’s freedom of choice is taken up by the Left Party, pointing out that familial choices are already limited in other ways, for example through the gender-wage gap which clearly gives women a subordinate position in a family’s decision making (ibid.: 23). Such an argument refers clearly more to the gender equality paradigm than the social investment paradigm as it problematises power inequality in the family, a sphere that is not addressed by the social investment paradigm. A representative of the Social Democrats also puts forward that the typical conservative policy instruments of financial incitements, like the gender equality bonus, has little effect on gender equality, while the daddy months have proven to be effective (ibid.: 34-35). Also in the debate of the third daddy month, more gender equality aims than social investment aims are put forward by the advocates. Even if the labour market is taken up numerous times, the representatives rather talk about a signal to the labour market that fathers also have to take care of their children, and that the labour market should generally become more equal, than about the higher employability of mothers (ibid.: 23, 36, 54, 59).

The gender equality bonus was introduced in the year 2008 by the Conservative Coalition of the Moderates, the Liberal Party, the Christian Democrats and the Centre Party. The conservative coalition emphasises that they do not want to push families in a certain direction, but provide a context within which families can decide freely how they want to distribute their parental leave amongst each other (Riksdagens Protokoll 2007: 74). When the Moderates directly refer to the gender equality bonus, they refer to mothers’ employability and career opportunities (Regeringens proposition 2007: 12, 15) and build their argument on the intersection of the gender equality- and social investment paradigm.
In Germany, the new parental leave benefit was introduced by the 2005 newly elected Grand Coalition of Christian Democrats and Social Democrats. While the Christian Democrats had argued for a child-bonus in the pension insurance during the election campaign, the formerly governing Social Democrats pleaded for a wage-related paid parental leave scheme and had commissioned a report to evaluate the introduction of this type of paid parental leave in Germany along the same lines as the Swedish model (Rürup and Gruescu 2003). When the new Christian Democratic family minister of the Grand Coalition came into power, she disregarded the suggestions of her own party and introduced the paid parental leave proposal previously put forward by the Social Democrats (Auth 2015).

Central arguments for the introduction of paid parental leave have been: (1) to guarantee families sufficient income during their child’s first year, (2) to support mothers’ (early) labour market re-entry and better reconciliation of work and caregiving, (3) to increase fathers’ participation in child-caring, (4) to create freedom of choice between different life plans with children and shared caring and (5) to encourage parents to start a family at a younger age and to have more children, as birth rates in Germany are very low (Deutscher Bundestag 2006a; see also: Fleckenstein 2011; Henninger, Wimbauer, and Dombrowski 2008).

In general, the explanatory memorandum is characterized by socially investive arguments, but gender equality issues are also mentioned. In most cases, the memorandum refers to families, hardly to mothers or fathers. This also applies if the majority of those affected are women (for example in the case of employment interruption, labour market re-entry, career disadvantages and old-age poverty). It is only with regards to reconciliation that both sexes are addressed separately, but differently: mothers shall be given the possibility to reconcile work and caring while fathers shall be encouraged to take over caring responsibilities (Deutscher Bundestag 2006a).

It is above all the Christian Democrats who are arguing with familial choices between different care arrangements to defend or justify their reform against inner party opponents. Different life models of families should, on the one hand, be supported by explicitly not determining familial task distribution. On the other hand, gender equality should also be addressed when different preferences regarding employment and family are fostered (Deutscher Bundestag 2006a). Choices and gender equality are intertwined here (Deutscher Bundestag 2006b, 3720). However, there is a conflicting potential between familial choices and gender equality, which is not discussed. Fathers’ or mothers’ choices and gender equality can contradict each other. Nevertheless, the government stresses the law’s aim of reshaping the one-sided assignment of caring tasks to mothers (because of the following labour market discriminations) (Deutscher Bundestag 2006a).

Furthermore, human capital loss is often appealed. By mothers’ withdrawal from the labour market, professional potentials and skills will be lost which is problematic in a society that is threatened by a lack of qualified staff (Deutscher Bundestag 2006a). Therefore,
economic independence and continuous occupational biographies are important aims that are repeated several times. Mothers shall return to the labour market as fast as possible (Deutscher Bundestag 2006a, c). There are only few parliamentarians who emphasize that it is especially mothers’ financial independence which can be reached with a paid parental leave (see for example: Deutscher Bundestag 2006b, 3732, 2006c, 5360).

The low birth rate in Germany has also been mentioned in the governmental explanation by the governing parties. Financial insecurity and breaks in working life are discussed as the causes that shall be overcome by a wage-replacement benefit (Deutscher Bundestag 2006a, 1889). Paid parental leave shall facilitate couples decision for children (Deutscher Bundestag 2006b, 3732) and is a response to the challenges of demographic change (Deutscher Bundestag 2006b, 3733, 2006c, 5359).

Contrary to the Swedish debate, where the privilege of active fatherhood has been stressed, the fathers’ quotas have been part of controversial public and political discussions in Germany. Some conservative politicians have called the fathers’ quotas a Wickelvolontariat (“voluntary service in diaper changing”) and criticize state paternalism. Within the parliamentary debate, the two non-transferable partner months are justified with the possibility of fathers having a more active fatherhood and the facilitation of a shared parenthood (Deutscher Bundestag 2006a). The Christian Democratic Family minister stresses the positive effects on companies that have to rethink their expectations on fathers (Deutscher Bundestag 2006b, 3712).

Within the parliamentary debate, the new parental benefit had only sometimes been placed in a gender equality context – mostly by Social Democrats – while Christian Democrats preferred to emphasize familial choices (Deutscher Bundestag 2006b, 3725, 3737 f., 2006c, 5359 f. ). Economy-related arguments like mothers’ labour market participation that fit within the social investment paradigm have dominated altogether.

Ten years later, during the debate of the parental benefit plus and the partnership bonus, the societal situation has changed a little. Fathers’ quotas and mothers’ employment have been socially accepted to a higher degree. Therefore, the argument on familial choices has been replaced by the governing Christian Democrats and Social Democrats with the argument of enabling partnership and parental sharing. At the same time, the maintenance of qualified staff has stayed an important issue. Compared with the introduction of the paid parental leave, the social investment paradigm has been, to a greater extent, accompanied by gender equality arguments within this reform (Deutscher Bundestag 2015, 2016).

3.3 Policy outcomes: do different aims lead to different outcomes?

We now ask if gender equality aims as pronounced within the Swedish debates lead to a more equal division of paid and unpaid work than in Germany where the social investment paradigm has been more prominent.
In Germany, more fathers are now taking paid parental leave. In 2013, six years after the introduction of the two daddy months, approximately one third of all fathers took advantage of some months of paid parental leave. This percentage increased from 18% in 2007. Before the reform, only 3.5% of all fathers had used parental leave. About 80% of fathers who are using the care time-out in Germany today stay at home for only two months and only a mere 6% take parental leave for one year. The average duration takes about three months (Statistisches Bundesamt 2012, 2015b, a).

In contrast, about 90% of all Swedish fathers take some parental leave. Even if we look at older figures, fathers’ engagement in care work has been substantially higher than in Germany. Six years after the introduction of the first daddy month in 2001, about three thirds of all Swedish fathers took at least some parental leave. It should be noted that the Swedish parental leave is very flexibly designed and can be taken until the child is eight years old, and in 2001 already about 50% of all fathers took parental leave in Sweden (Ericson 2012). Still, just as in Germany, mothers take much longer leave periods. In 2014, only 25% of all parental leave days were taken by fathers. Just after the introduction of the parental insurance in 1974, men only used 0.5% of all parental leave. Thus, we can clearly observe a growth in fathers’ engagement in care work over time in both countries – but with a markedly higher level in Sweden. In spite of this, we should be careful to compare Swedish statistics with German statistics on fathers’ engagement in care work and draw conclusions regarding the effects of recent reforms, as the first Swedish daddy month was already introduced in 1995 and therefore had a much longer time to prove its effect.

Still, the Swedish Social Insurance Inspectorate has recently conducted a study that allows us to analyse the direct effects of the second partner month and the equality bonus. The introduction of the second daddy month led to a rise in fathers’ engagement in parental leave: their average leave days rose from 42 to 49 days. Still, it must be mentioned that the leave period was also prolonged by one month in context with this reform; women’s parental leave days also rose in number – from 270 to 280 days. This is different to the effect of the first daddy month when the leave period was not prolonged: after this introduction, the fathers’ outtake of days rose from 26 to 36 days, and the mothers’ outtake sank from 320 to 295. The first daddy month thus led to a real redistribution of parental leave from mothers to fathers (ISF 2012). The equality bonus had no statistical effect on the outtake of parental leave of men and women. Overall, these country results regarding care incentives for fathers suggest very clearly that it is not really important whether a measure aims at gender equality or social investment. The important factor rather seems to be that the measure is as “hard” as possible: A soft measure, like the Swedish equality bonus, which featured a slightly higher payment if men and women share the parental leave equally, has no effect. More non-transferable months when the parental leave is prolonged at the same time has a small effect. A real redistribution of care work from men to women has only happened after the most “forceful” measure: a month that earlier could be used by mothers or father now had to be used by fathers – otherwise it expired (ISF 2012, 29-30).
Research shows that there is a strong connection between the employment of mothers’ and the parental leave of fathers’: the more mothers work, the more fathers participate in childcare. As Swedish parents who are on parental leave are statistically counted as being part of the labour force if they have a job (which is an interesting observation in itself), it is difficult to compare Swedish and German figures on mothers’ labour market participation. Still, it is unquestionable that overall Swedish women are more integrated in the labour force. Women’s labour market participation in Sweden has been rather stable between 1995 and 2011 at about 75%, while the share of part-time employment is slowly sinking, from 24% in 1995 to 18% in 2011. German women are less integrated in the labour force than Swedish women, but their participation rate has risen by about 10% during this time period, from just above 60% to just above 70%. Still, during this period of the raise of female participation in the labour market, the share of part-time work rose with nearly the same amount (Organisation for Economic Co-operation and Development 2012, 225, 238).

For mothers of children that are younger than six years, the labour market participation rate is less different than one might expect: it lay at 68% in Germany and 77% in Sweden in 2014. What differs is again the part-time ratio: while only 40% of mothers of small children work part-time in Sweden, this is the case for 65% of the German mothers (Eurostat 2015a, b). With regard to the German parental benefit reform, the labour market integration of mothers with small children has increased, as a national evaluation study shows: in 1996, only 26% of all mothers with children under three years had been employed. This share has increased up to 31.5% in 2011. But most of these mothers, nearly 70%, only work part-time (Keller and Haustein 2012).

Regarding the outcomes of the paid parental leave reforms, the aims of both paradigms have been fulfilled. Mothers’ employment rate has been increasing in Germany and women’s part-time work has been decreasing in Sweden. Moreover, from a gender equality perspective, the aim of increasing male care participation has been met. The fathers’ quotas have been successful, although to a different degree. Real shared parenting has been more advanced in Sweden, but also there, it is still in its infancy.

4. Conclusion

The analysis of the Swedish and the German paid parental leave schemes shows strongly that social investment policies and gender equality have much in common, especially regarding mothers’ employment and the reconciliation of working with caring tasks. Thus, on closer inspection, it becomes clear that there are, nonetheless, differences. Within the social investment policy, some equality aims are irrelevant: the recognition of care through time and money for carers – at home and done by mothers and fathers (in the sense of shared parenting). Overall, the social investment paradigm is based on the employability of women for its own sake, while the redistribution of paid and unpaid work in
the gender equality paradigm is based on the premise of social justice that goes beyond employability or the sustainability of the welfare state and the economy.

Our hypothesis with regard to policy aims was confirmed: While the Swedish debates are mainly based on gender equality, the German politicians primarily followed the social investment paradigm. There are two ways of interpreting this: on the one hand, one notices that in our cases, conservative parties feel most confident with the social investment paradigm. That refers to the conservative-led governments in Germany, but also to the conservative-led government in Sweden, which introduced the gender-equality bonus. As most of the discussed reforms were introduced by left-wing parties in Sweden, while the parental leave benefit in Germany was introduced by a coalition of Christian Democrats and Social Democrats, the Swedish advocates were more comfortable with gender equality as a central argument for political reforms while the German ones were more hesitant. These findings conflict with approaches that consider social investment to be a social democratic project (Morel, Palier, and Palme 2011).

On the other hand, societal attitudes and cultural values with regard to gender roles and familial tasks are important. In Sweden, state-feminism has a long tradition and, as far back as the 1970s, the call for women’s integration in the labour market as a core demand for gender equality had great influence (Borchorst and Siim 2008). This interpretation would speak for a Scandinavian integration of social investment arguments in the gender equality paradigm, so that both principles are followed simultaneously and have been followed since the “golden age” of the social democratic welfare model. This again would support the argument of Morel, Palier and Palme that social investment has, since the very beginning, played a central role in the Nordic welfare states.

Overall, our analysis shows that the social investment paradigm shifts its character when placed in different contexts. Even if it is the same paradigm, the aspects that overlap with gender equality principles are emphasised in a welfare state that is characterized by an overall commitment to gender equality, like the Swedish one, while its economic aspects are emphasized in a more conservative welfare state with traditional gender ideas. In Germany, demographic change and societal ageing are considered to be serious welfare state problems. Social investment arguments, especially fostering women’s employment, are perceived as the solution for increasing labour market potential and birth rate at the same time. Scientific expertise showed that the birth rate can only be increased by fostering women’s employment (Rürup and Gruescu 2003). The modernization of family policy under the umbrella of the social investment paradigm was a feasible path for a Christian Democratic-led government that always had supported the traditional male breadwinner model. Only the Social Democrats emphasized both, social investment and gender equality arguments.

Our results concerning policy instruments are less clear. Firstly, it is astonishing that policy instruments are quite similar – despite the different aims that are brought forward in
the debate. The paid parental leave schemes in both countries are similar with regard to duration, wage-replacement and flat-rate component and some non-transferable months. This means that Germany has introduced the gender equality instrument of non-transferable partner months although gender equality aims are less prominent in the political debate. Furthermore, the German parental leave scheme includes a low-wage bonus, which clearly aims at recognizing mothers’ higher risk of being in a low-wage occupation. This component clearly fits better with the gender equality paradigm. Such a bonus is non-existent in Sweden.

Assessing the regulation outcomes, the German main social investment aim could be fulfilled and mothers’ employment rates have increased, although they are still lower than the Swedish one. The gender equality aims in Sweden have also been met in that part-time work of mothers’ has decreased, which means greater labour market equality between the men and women. Furthermore, the expansion of the partner months led to increased care participation of fathers. In this case, Sweden has been more successful, too. It should be noted, however, that the differences between the two countries with regard to fathers’ engagement in care work and mothers’ engagement in paid employment have multiple causes and cannot be based on the parental leave regulations alone. The greater the engagement of politicians in Sweden in working directly for more gender equality and being open about this motive the greater the contribution to a culture in which fathers’ parental leave and mothers’ full-time employment is more accepted and supported. In Germany, gender culture has just started to change, but it is changing, as the recent debate about the parental benefit plus has shown. These developments show that the extent of effects of fast-track solutions – like non-transferable months – depend to a high degree on societally shared gender norms. Another crucial factor for gender equality, which is not discussed here, is the availability of high-quality full-time day care centres.

To sum up, in the pure social investment principle, equality in the labour market is as little a central topic as the recognition of care work in itself. Thus, as Fraser (1997) has pointed out, redistribution is the one side of the coin, recognition is the other. Shared parenting should be valued, especially when both parents try to participate equally. The recent Swedish expansion of fathers’ quotas up to three months and the German parental leave plus-model point in the right – gender equality-oriented – direction.

References


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It should be noted that the majority of parents actually receive an extra-payment from their employer (föräldrapenningstillägg/föräldralön) that lifts their parental insurance to just above 90% of their earlier wage (Försäkringskassan 2011b).

In the Swedish case there exists a third component, the “lowest level”, which is paid for 90 days on top of the 390 days paid leave with the wage-replacement or the basic level (Försäkringskassan 2011a: 2). This component is not discussed further, as it would make the analysis far more complicated without contributing considerably to the discussion at hand.

On top of that, the German paid parental leave also contains an absolute maximum above which parents do not receive any benefit: if a couple earns about 42,000 Euro per month or if a single parent earns 21,000 Euro per month, the right to paid parental leave expires. Such an absolute maximum is non-existent in Sweden.

It should, however, be noted that there is a Progressionsvorbehalt (progression clause). The parental benefit has to be added to the family income to set the tax rate for the remaining income.

This difference with regard to the taxation of social benefits is many times disregarded in comparative welfare research, leading to a defective presentation of benefits generosity in different regimes. For a closer discussion on this issue, see Martinek’s dissertation on mothers’ social citizenship (Martinek forthcoming).

For an excellent discussion of the affirmative/transformational divide see Fraser’s article on the redistribution-recognition dilemma (Fraser 1997).

We have to note methodologically that such an approach is difficult to evaluate. We do not know exactly if politicians really mean what they are expressing in parliamentary speeches and political processes. Politicians might use certain arguments, as they are most prone to lead to success, not because they really aim at a certain issue.
Whereas the introduction of a wage-replacement benefit and its consequences for mothers’ earlier labour market re-entry has been generally welcomed, the minimum amount has been criticized by a lot of left-wing politicians. They argue that it discriminates students, housewives, social benefit recipients and needy families. A lot of politicians also note that places in childcare facilities are lacking and that parents are facing problems when the paid parental leave is over.