EUROPEAN OPEN COORDINATION VERSUS WELFARE/FAMILY REGIMES?

GENDER AND GENERATION CONTRACTS IN SWEDEN AND GERMANY

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Introduction

Recent developments in European welfare regimes have shown a certain convergence: as for pension systems, European trends in the individualization of entitlements as well as the compensation of care work or education allowances seem to standardize pension systems. There is evidence for this at least in so far as elements from the German system, for example the accounting for education times as well as a strict equivalence according to contributions were established in the reformed Swedish pension system, whereas the latest reforms of the German pension system have been designed to strengthen women’s participation in the labour market even for mothers of younger children and to enhance the independence of women’s entitlements from their husbands’. Both have introduced programmes for promoting private pension schemes. This is interesting from the perspective of the so-called gendered Welfare Regimes. The German system, formerly known as one of the strongest “male breadwinner models”, has given way to the integration of women in the labour market, which had been one of the strongest characteristic of the Swedish Welfare Regime, that had been placed among the weakest “male breadwinner models” by most researchers.

On the basis of reform discussions on recent pension reforms, my idea is to examine in how far the EU’s “open method of coordination”, a tool for policy coordination in the European context, might develop an influence on these reforms. Is this new policy strategy of target-setting and controls through indicators, of benchmarking and best practice-examples suitable to intensify international policy diffusion, or is it merely the change in family structures, the impending demographical problems and the labour market development that has brought forth similar results? These factors have not developed equally in Sweden and Germany, but have been problematic at different periods of times. What is the impact of policies that have been transferred from a foreign system on the domestic welfare regime and how do reforms counter the impediments of path dependency? This will be examined with regard to gender aspects of welfare regimes, and typologies of family policies.

Welfare Regimes and Typologies of Family Policies Confronted with Welfare State Restructuring

Ilona Ostner and Jane Lewis developed the typology of “strong”, “moderate” and “weak” male breadwinner models (Lewis, 1992, Lewis and Ostner, 1994, Ostner, 1995), characterising different welfare regimes by the independence potential the social systems offered for women on the labour market as well as in family structures. Social insurances tied to labour participation in countries characterized by strong male breadwinner models reinforced families’ dependency on the fathers’ income, but also used to take women’s unpaid care work for children and the elderly for granted. The German Welfare State with its strong Bismarckian tradition is seen as an example for this model.
Weak breadwinner models instead established a dense net of institutions socialising these tasks, thus enabling women to paid work, though many of them are found in the public sector, still doing care work. Social insurances in this model are constructed on the basis of residence and thus independence from labour market developments is greater. One of the classical examples for this model has been identified in the Swedish welfare state. Ostner and Lewis derived these models from their critique of Esping-Andersen’s “Three Worlds of Welfare Capitalism” (Esping-Andersen, 1990), identifying a liberal, a conservative, and a social democratic Welfare Regime which are characterised first and foremost by different strategies of de-commodification, i.e. the independence from the labour market as manifested in a social security system granting a generous or only a low living standard in times of absence from the labour market. A second criterion of Esping-Andersen’s welfare regimes is a differing interplay between state, market and family, and a third is the distinct effect of these and other factors of social policies on social stratification.

Lewis, Ostner and many others refer mostly to the first criterion, the issue of de-commodification, neglecting the chapter on the family-state-market-interplay, although the relation of the two, mentioned by Esping-Andersen, appears to be at the heart of their critique. Esping-Andersen’s feminist critics state that women involved in unpaid care work gain less independence from de-commodification: not even in the social democratic welfare states engagement in care work is thoroughly commodified yet, and it reduces flexibility in working times and thus on the labour market. They emphasize that being devoted to these responsibilities, part-time employment and jobs with precarious working conditions are more attractive for many women, as these jobs offer flexibility with regard to exits, e.g. due to care responsibilities (Ostner, 1995, 7). One of the strongest indicators for the difference in women’s independence is the social status of the most vulnerable group of women in the West European Welfare States: the solo mothers (Orloff, 1993, 318). According to Eurostat’s statistics, their poverty rates have not been high, but still remarkable in Sweden (16% 1997), but much more so in Germany (48-55% 1995-1997). Even in the social democratic model, singled out as the most egalitarian by Esping-Andersen, women’s gross working times (unpaid work included) are still longer than men’s, although a great portion of women works in part time jobs. Ostner, Lewis and others argued that from women’s perspective, different forms of independence are involved in this concept:

1. independence can be granted by the state for labour market participants during periods of absence only if they had been integrated before (independence from the market), which assumes an

2. independence potential in paid employment in the first place, which may be measured in form of employment chances as well as payment levels (economic independence, independence from partner).

3. Independence, however, can also be understood as independence within family structures or the independence that enables a person to maintain a household on her own (Orloff, 1993), choosing her own form of family life (Lebensform) (autonomy in choice of living arrangements).

The two variables distinguishing gendered Welfare Regimes as identified by Ostner and Lewis are thus commodification versus familiarisation of work (Ostner, 1995, 9): strong breadwinner models tend to leave care work unpaid and located in the private realm, with women consequently less integrated into the market. Anne-Hélène Gauthier, viewing this from a more family-centered perspective, calls this model the pro-traditional model, because social policies are directed at preserving the traditional family model (examples are the taxation of married couples and low childcare provision (Gauthier, 1996, 203f.)). Modified breadwinner models, however, strengthen women as mothers and wives even more, but also as workers (Ostner and Lewis, 1995, Ostner and Lewis, 1998, 221); an example is France with its pro-natalist (Gauthier, 1996, 203) and at the same time labour-oriented welfare model. Weak breadwinner models integrate women and care work in the labour market with a universalist approach to employment and social security, treating women mostly as gender-neutral individuals (pro-egalitarian model) (Gauthier, 1996, 204). Family traditions and traditions of gendered division of labour and care work are seen as roots as well as products of these
welfare regimes: they have structured them and are in turn often reinforced by its institutions in a two-way causality (Esping-Andersen, 2002, 68). This suggests a rather stable relation of mutual reinforcement which is to be questioned in this article.

This two-way causality is also what might justify a social policy research perspective on women focusing on family mothers (including solo mothers) rather than women without children: the former are modelling expectations of women’s life courses as viewed in employment situations as well as social policy decisions. But due to the achievement of deconstructive feminism, which aroused sensitivity for these reinforcement mechanisms in the performative effects of language, I am reluctant to pursue this strategy quite familiar in gender-specific social policy research. To me, it appears reasonable to turn the focus to the family, making gender roles visible as conflicting with a now widespread ideal of gender equality within families. Even if this ideal is far from being transformed into reality, it is reported to be in the minds of women and men (Koppetsch and Burkart, 1999). This perspective allows me to exclude women without children from the research perspective explicitly without marginalizing them. On the long run it allows also to integrate men’s part into the picture, which has lately been more and more investigated (see Hobson, 2002; Blossfeld, 2000). This, however, is not the objective of this paper.

As to how the two-way causality of social policy processes and structural change in gendered family structures works and to what extent this is really a self-reproductive mechanism subject to path dependency, we can differentiate two questions to be posed to the policy process:

1. **Policy instruments**: what policy instruments are directed to them: services or financial transfers? (are financial transfers intended to enable women to work, or are they intended to finance their absence from the labour market?)

2. **Policy Outcomes**: what are the policy outcomes? how good are women’s chances on the labour market, what about their economic well-being, their time budgets and their social security?

In this case, regarding two National Strategy Reports and their evaluation through the European Commission and the Council, we can only analyse policy instruments. But this is exactly where our two systems differ most: while Sweden’s first and foremost aim is to integrate women into the labour market through institutions and services socialising care work, the German system tended to finance women’s absence from the labour market through generous regulations of maternity leave and its compensation in pension insurances, tax deductions for married couples that in fact work out as disincentives for women’s work and other measures. Thus, we can see a system of financial transfers versus a system of service provision and institutions.

According to Esping-Andersen, one can say that the conservative-corporatist model as he identifies it in the German example and the social democratic welfare regime as exemplified in the Swedish welfare state have an etatist bias in common; both of them de-commodify to a high degree compared to the liberal states. They take pole positions, however, regarding the relation between family and state: the strong socialisation and institutionalisation of care work in Sweden contrasts the heavy reliance on financial transfers and informal unpaid work in the German welfare system. Consequently, Ostner and Lewis agree that Germany belongs to the strongest male breadwinner models, whereas Sweden is placed among the weakest breadwinner models. The question is whether this can be maintained regarding Swedish and German governments dealing with the EU’s “Open Coordination” of pension reforms. The analysis of the reports the governments issued to the European Commission shall be of interest in this regard. Of course Sylvia Walby is right that also the regulation of marriage and divorce as well as other forms of cohabitation, the regulation of abortion and contraception and education (Walby, 2001) play a role when it comes to the regulation of a more general gender regime (which she conceptualises along a continuum between public and domestic), but unfortunately the treatment of these matters in detail is beyond the scope of this paper. It will be touched, however, since on the one hand, the protection of traditional marriage in Germany is pervasive through constitutional right conserving favourable taxes and also the sharing of pension entitlements of married couples, whereas on the other hand, the liberal family forms in Sweden, the individualist and
child-centred family-policy and their effects on pension entitlements are worthy a closer look. Thus I will delimit questions about the continuity or convergence of gender regimes in welfare systems to aspects of pension systems and – reforms in Sweden and Germany and thus only offer a small contribution to the debate about continuity and change of welfare, gender and family traditions in European Welfare States.

European Open Coordination – an Efficient Tool for Policy Diffusion?

Gender-specific social policy was already a subject of early EEC-legislation, even if this was primarily due to economic reasons: France attempted to secure the competitiveness of her economy, pledging for equal wages of women and men, as French workers enjoyed more social rights than those in less developed social welfare economies. The strongest objection came from the German delegation, preferring an unconstrained market integration (Falkner, 1994, 81). This tendency of disinterest for social matters unless they are relevant for the economic standing of member states corresponds with the minor role social policy played generally throughout the history of the European Union, which was often enough more rhetorical than manifest in positive right, although progress can be identified through several “spill-over effects” leading to the current situation. The Social Charter for example, signed 1989 by all member states except Great Britain and restricted to the rights of employees, was not legally binding. The Maastricht Protocol of 1996 lead to an Agreement on Social Policy, establishing further more concrete aims and tasks of European Social Policy Coordination and securing employees’ social rights as well as the social partners’ participation in the social policy process, the so-called social dialogue. This agreement, however, was again only agreed on with the opting out of Great Britain, which was later withdrawn by the Blair government. The Amsterdam Treaty consequently integrated this agreement with the exemption of Britain. Following the Lisbon conference in 2000, a social policy agenda was agreed on which was the foundation for the Nice summit in December 2000. In Nice the Council declared the European Charter of Fundamental Rights. There was no consensus for its integration in the EC-Treaty, however. The overarching aim was to formulate common objectives and to coordinate social policies in the context of the economic integration. The Nice Treaty developed also the instrument of concentrated cooperation for a minimum of eight member states. The pension systems were not substantially subject to EU social policy debates before the expansion of the Open Coordination strategy to pension insurances in 2001, which allowed the member states to discuss these questions without fear of sovereignty losses.

European Coordination was developed from the context of the Luxemburg Process (1992?), which was originally intended for the field of labour politics. Monitoring and Benchmarking procedures are organising a coordinated dialogue for learning and information exchange, which is sometimes called “horizontal Europeanization” (Platzer, 1999, 189) and falling into a new trend of “soft law” strategies of “hidden europeanization” of welfare policies attempting to integrate economical and social aspects (Behning and Feigl-Heihs, 2001, 474). The member states were gradually obliged to send strategy reports on their reform policies to the Commission which are then evaluated by the Commission in cooperation with the Council and its committees. Good practice examples are identified and recommendations sent back to the member states, the indicators, projection and simulation methods are revised. Later this practice was expanded on other policy fields including social insurances, exclusion from the labour market and education. The expansion of the Open Method of Coordination to old age security was discussed in Stockholm and Göteborg 2001, and in Laeken in December 2001 the Council decided on eleven objectives which manifested the working method for further cooperation through National Strategy Reports (NSR) (doc.no. 14098/01 SOC469/ECOFIN 334). These reports were treated on the council conference in March 2003 (doc.no. 6527/2/03 ECOFIN 51/SOC 72); until the end of 2004, council and commission will have to further evaluate it and decide on objectives, methods and a time frame for the continuation of the process.

Criteria for the reports and their evaluation as well as policy objectives for pension policy are the promotion of work and the adequacy of the pensions for a reasonable living standard (objectives 1-3), fiscal policy objectives like the sustainability and security of the pension systems (objectives 4-6),
social justice and social cohesion (objectives 7 + 10), and high quality standards and sustainable health care (objectives 8,9,11). Gender Equality is to be an overarching topic of all four aims.

An Analysis of the National Strategy Reports with regard to Gender Equality

Some basic differences between the Swedish and the German pension system

While the German system is based on the historical Bismarck-Model of a compulsory insurance that is financed through contributions according to wages, the original Swedish pension system was a mandatory public pension scheme according to the Beveridge Model, based on residence and financed in large part through taxes. The Swedish Riksdag, however, has adopted the guidelines for a major reform of its system in 1994, which is now implemented in large parts. The pension system is becoming more of an insurance system and less of a system for income redistribution (Wadensjö, 2000, 71). After the implementation of the reform, pension rights are strictly equivalent to defined contributions at 18.5% of the income throughout an individual’s employment biography. 16% of these contributions by employees and employers go to the pay-as-you-go-system, meaning that the major share of the current pensions stem from the contributions paid in by the working part of the society. The earnings-related part of this system is now separate form the central government budget. An additional guarantee pension, which is still financed from tax revenues, guarantees a minimum pension for those who score low in the earnings-related part of the system. Thus the earnings-related pension amount is raised up to an income of currently 82,200 SEK per year. The remaining 2,5% are invested in a so-called premium reserve system, where the individual can chose a pension fund or leave the choice to a central agency. The Swedish National Strategy report (NSR) is mentioning gender equality much less frequently than the German NSR. The strategy of Swedish social policy continues to be gender neutrality, with a high sensitivity for the reinforcement mechanisms of policies differentiated according to gender: “using such forms of compensation to promote equality will merely serve to reinforce traditional gender roles” (NSR S 2002, 25). Moreover, in Sweden policies to support families, for example, are traditionally based on providing services and institutions for education and care as policy instruments; this is consequently not regarded as a topic for pension policy.

The German pension system has recently experienced more incremental than substantial reforms (NSR D 2002, 8), stabilizing the financial situation of the insurance through gradual reductions of the compensation rates as well as the widow/er’s pension. To balance these reductions, the state now supports different sorts of funded occupational and private pension schemes with tax deductions and grants. Another compensation for women who are more affected by the reductions because of their lower pension amounts is the introduction of a children’s education bonus in the widow/er’s pension for women or men who have educated children. Moreover, lower wages are valued up during education times of children younger than ten years. The claim for mainstreaming of gender equality in has been followed quite well in the German report, which is obvious since recent reforms in fact involved several measures directed to mothers especially. The erosion of continuous employment biographies is a problem not only faced by women, as times of unemployment and the number of part time jobs, jobs for limited times and jobs without insurance obligation is growing. There appears to be a consciousness for this, even though only times of education are compensated. Right now, there is a discussion about a health insurance based on citizenship; we will see if this discussion will reach pension policy as well, since the government shows its awareness of “the financial burden” the pension insurance places on employment (NSR D 2002, 7).

It is emphasized in the German report that the exchange of information and experience is expected to be of great advantage to the single states and at the same time, the German government emphasizes that the historical rootedness of different welfare tradition limits the possibilities for reform strategies. Subsidiarity is claimed for the process of coordination and caution with respect to the sovereignty of the member states, that shall not be endangered through pressures towards harmonization and competence shifts.
**Strategy objectives**

**Adequacy of the Pensions**

In Germany, the share of women aged 65 or older in need for social assistance is below the European average: 1.5% of all women in this age are entitled to social assistance, as compared to 1.4% of all persons this age and 3.3% of all women in Europe (NSR 2002, 10 and appendix V). The poverty risk in both countries ranges among the lowest in Europe, according to the statistics presented in the “Report of the Commission and the Council on adequate and sustainable pensions” (ECOFIN 51/SOC 72, 2003, 31f.). In Sweden, as eligibility for the pension system is based on residence, there are very few elderly who have to claim means-tested social allowance. For these cases there is now a special means-tested maintenance support and housing assistance for people aged 65 and older, for which there is no data yet. An important reform for some of the poor elderly in Germany is the simplification of the access to social assistance for older citizens by a new law for social security in old age and income decrease. This allows them more financial independence from their families, who had been obliged to support them before. In 2002 an average men’s pension in Germany amounted to 1083 €, whereas an average women’s pension ranged at only 517 € (Verband deutscher Rentenversicherungsträger).

Access to the public pension scheme in Germany is organized through employment: the pension insurance is compulsory for employees, but there are many professions with separate schemes (well known is the civil servants’ pension scheme which is financed from taxes). For self-employed, the insurance is voluntary. 1999 in West Germany 80% of all independent pension incomes were from the public pension system. Another way to entitlements for persons without continuous employment biographies continues to be marriage: the derived entitlements of widow/er’s pensions are still an important part of pension expenditure, mainly claimed by women, although its level has been reduced from 60 to 55% of the spouse’s wage. This might be an attractive option e.g. for those who are working in so-called minor jobs that are not obliging to social insurance. These jobs are often situated in restaurants, hotels, cleaning services etc. and often it is women who are doing them.

Right now, German pensioners are receiving a pension amount from the public pension system corresponding 70% of their average income over their employment career. This level is planned to be reduced to about 67%, which is to be balanced by incomes from individual choices of additional funded pension schemes, gradually being supported by public grants (estimated to 12.7 bi €. in 2008).

Redistribution within the pensioners’ generation is made in both countries to support those who do care work for children or elderly, to compensate for times used for education or times during which wages are lower. It appears interesting that the German government shows such pride over the solidity of a public insurance system that insures risks which are not to be influenced by the insurant, like gender or health situation (NSR D 2002, 13). This is to describe the advantages of a public pension system as compared to a private insurance system. But in a public security system, it seems self-evident that egalitarian solidarity should be relevant: solidarity which does not differentiate between different “risk groups” but rather redistributes the financial burden of these risks. The Swedish NSR differentiates between this solidarity and another form of solidarity referred to as actuarial solidarity which emphasizes the equivalence of contributions and pension rights. It avoids rating the significance of the two forms, however. It is only said that egalitarian solidarity is more important for relations within generations, whereas when it comes to the relationship between generations, “actuarial solidarity may not need to arise at the expense of egalitarian solidarity” (NSR S 2002, 8). Actuarial solidarity is also offered by private insurance. It is a form of solidarity which stems from rational calculation, not social obligation. Seen from the egalitarian perspective, it might seem that its motive is rather financial stability which sets social solidarity in the light of a by-product only. In fact, the comparison of public and private insurance systems with regard to solidarity between men and women seems peculiar if confronted with a consultation paper currently discussed in the EU-Commission which aims to ban gender as a discriminating factor also in private insurance systems (Diamantopoulou, 2003). The German law professor Ute Sacksofsky also criticized the public support for private pension schemes introduced through the 2001 reform as dubious from the perspective of
constitutional law; the state would violate the principle of equal treatment if supporting private pension schemes differentiating according to gender (Sacksofsky, 2003).

Financial Sustainability of the Pension Systems

The German government dedicates part of its report to the maximization of labour market participation. Target groups of current employment policies are primarily women, whose employment rate is still low compared to the Swedish one and the elderly, who have been retiring all the more early. Although the employment rate in Germany has been declining steadily, women’s employment is growing continuously (NSR D 2002, 14). Incentives like a higher validation of entitlements for working mothers of small children and compensations for the education of several children shall allow mothers to combine family work and paid labour. The increase in older citizens’ employment is a central objective in current German employment policy. Early retirement has been a problem in combination with the rising life expectancy. Employment among older citizens (at the age of 55-64) has increased and corresponds European average now which has a value of 37,4%. Compared to Sweden it is low, however: Swedish employment rate among older citizens ranges at 64,3%. This difference becomes even more striking when looking at women’s values in this age group: In Sweden, 61,7% of women this age are employed, whereas in Germany only 28,7% of all women are doing paid work. Since women’s employment is rising, however, it is expected that these numbers are going to be rising necessarily. The German government is gradually taking back early retirement possibilities and establishing financial incentives addressing employees and employers for longer employment. The flexibility in the retirement age, as recommended by the council, has not been established as far as in the Swedish system, however: Early retirement ages will gradually be delayed from 60 to 63, and conditions are becoming stricter. Individual delays in retirement are additionally reimbursed with higher levels. In Sweden, the individual can choose the time for retirement herself or himself, and because of the strong link between contributions and benefits in the “notional account system”, the pension amount is rising remarkably with the age of retirement, thus establishing a strong incentive for long employment biographies (ECOFIN 51/SOC 72, 2003, 66). In both countries, however, differences in retirement ages between men and women are low (ECOFIN 51/SOC 72, 2003, 59).

The integration of the so-called minor employment into the pension scheme was an important point in securing pension finances through more contributions; another measure was the financing of education times through contributions made from the tax revenue. Both reforms are favourable for many women, as they account for a large proportion of those involved in “minor employment” and for the major share of those entitled to compensations tied to education times. In Sweden, the compensation for education time is explicitly not gender-specific. If the parents do not wish otherwise, extra pension rights are credited to the person with the lowest income during the first four years of the child.

The gender bias of private funded pension schemes is not discussed in the German paper, although this will be of great relevance to women, who are usually paying the same contributions, but receiving lower pensions (NSR D 2002, 25: 9-12%) because of their longer life expectancy. Moreover, private and occupational pension schemes have so far not developed compensations for childcare or schemes that are favourable for persons with unsteady employment biographies (ECOFIN 51/SOC 72, 2003, 105). It is interesting that the government justifies this with the insurance right for “equal treatment” and expects a relevant increase of women’s private insurance polices because of its subsidies (NSR D 2002, 25). Experts hope that this will come true, as women’s pensions will decline more than men’s: first, they are lower to begin with and thus much more sensitive to reductions. This is less than half the men’s pension! Second, women are less inclined to voluntarily sign private insurance polices or invest in pension funds. They still have more trust in public pension schemes. Also in the Swedish context, women are much less involved in private pension schemes.

Modernisation with Regard to Changing Social Demands

The German government has recognized that risks are higher for women who are more present in part-time employment and precarious jobs. This is why rules for raising the pension level for persons with continuous employment biographies, but low pension entitlements, were expanded. If mothers of children younger than ten years switch to part-time employment, their entitlements are raised up to
100% of the average income. Before, the rule that education times were compensated through contributions made by the insurance were seen as an incentive for opting out of the labour market with all the consequences for a career. The widow/er’s pension for couples married from 2002 was lowered from 60 to 55% of the partner’s wage, but this can be partly compensated by extra entitlements for children.

Widow/er’s pensions in Sweden are phased out along the lines of transitional rules. They are paid only for widows who married before 1990, as women’s employment rates are not much lower than men’s now. Instead, an “adjustment pension” was introduced for spouses under the age of 65, for a duration of only 10 months, from 2005 on 12 months. This is thought as a support for the spouse to adjust to the new situation. It is interesting that the differences in average pension amounts between men and women are not discussed, however. Women in Sweden work to a remarkable part in part time employment and differences in earnings are still there, so that many women will have to experience reductions in living standard because of the loss of their spouses. In this regard, it is interesting to look at the poverty risk of the elderly differentiated according to gender. Eurostat states that given a poverty rate at 60% of the median income, men run a risk at –4% in their households, whereas the risk for women is +1%. This difference is greater than the one in Germany, which is –1% versus 2% (ECOFIN 51/SOC 72, 2003, 31). The Swedish report itself only provides the numbers of single women below 60% the median income as opposed to men’s which seems less alarming, as the poverty risk is clearly higher among men than among women. Poor households with cohabiting women and men are not differentiated, however. This would actually be the interesting data when it comes to projecting the pension amounts of widows, but it is not even discussed. Instead, it is only said that it is not broken down as they share incomes and would thus have the same value for their income. Among old-age pensioners, the women’s proportion among the poor households is higher.

The German government has taken note of the changing context of life cycles, careers and family structures: the derived entitlements that enabled women to insure themselves indirectly via marriage and widow’s pensions is not appropriate anymore, as more and more couples are dual-earners and even men’s wages, let alone projected pensions, are not always sufficing for the support of a family anymore. At the same time, it is recognized that a consequent orientation towards an insurance system based on contributions only would be to the disadvantage of women, regarding their lower wages, worse career chances and higher share of part time jobs. The introduction of a pension splitting option for couples mentioned as an appropriate measure for individualising women’s entitlements, however, might not be an option chosen by many couples, as this measure is projected to be favourable only for couples with women earning as much as or more than their partners or having incomes other than wages (Langelüddeke and Rabe, 2001, 11). This is especially obvious regarding the longer life expectancies of women.

**Gender/Family Welfare Regime Restructuring or Gender/Family Welfare Regime Dissolution?**

Regarding policy instruments, differences between the welfare regimes persist: when it comes to gender-relevant policies, German old age policy uses primarily financial transfers such as tax deductions, compensation for education times and widow/er’s pensions. Although these transfers are not explicitly gender-specific anymore, it is clear that they are almost always favourable for women, and this is how they are discussed.

Swedish old age policy in contrast is strongly against gender-specific social policy measures and differences in average pension incomes between men and women are not even mentioned. Declining poverty rates among single women are taken as a good sign for women’s pensions in the future disregarding the effect that widows will have to do without the mostly greater part of the household’s income brought home by the spouse. The only gender-specific measure is the sex-neutrality of the annuitization divisor (regulating the pension amount with regard to life expectancy). Its violation of actuarial solidarity is put up with, because it is regarded as necessary from the perspective of egalitarian solidarity.
One of the most interesting questions in this report were the differentiation between egalitarian and actuarial solidarity, which stands for the conflict between intragenerational and intergenerational solidarity and the conflict between the social obligation of a public social security system and its financial sustainability. It was interesting that the question of sex-differentiated tariffs in private pension insurances was not discussed critically as is done now in the Commission. Rather, this differentiation was presented as a factual rule, and if a government chooses to refrain from it, it has to find good arguments for it. There is no discussion that there could be other factors for life expectancy than sex.

The individualisation of entitlements

The abolishment of widow/er’s pension in Sweden is a feature which is only imaginable in this individualist tradition and with a women’s employment rate that is not much lower than men’s. In Sweden, less than half of all children are born to married parents, and about 40% of all marriages are divorced. Moreover, the Nordic countries show the highest percentages of singles (Eurostat, 2002, 61f.). Although the development is similar in Germany, it is by far slower. It cannot be expected that the derived entitlements from widow/er’s pensions are abolished from one day to the other in Germany, not only because this would expose many women to unforeseeable poverty risks, but also because of the traditions marriage and the family. If marriage is a form of cohabitation marked by the equal sharing of unequal incomes combined with an unequal sharing of unpaid work, this can lead to living standards which cannot be uphold after the death of the partner. The voluntary option for pension splitting as introduced in Germany appears to be a good answer to this problem if women’s labour participation and contributions to household incomes continue to rise. So far, however, it is not very likely that many will choose this option since it will not be favourable for many, as long as the widow/er’s pension is at 55% of the spouse’s pension. But the expansion of the splitting would individualise entitlements to a great extent.

The compensation for unpaid care work

The compensation for parental leave has been expanded in the German system, to the Swedish system it is a new feature since the introduction of the 1997 reform. This innovation in the Swedish system was not paid much attention to in the National Strategy Report, but in the reform process, it was an important compensation for the rule that only the best fifteen years of employment earnings were counted for the calculation of the old earnings-related pension scheme. This rule was thought to be favourable for women. Women in Sweden are in a great proportion engaged part time jobs, and also here, careers are affected negatively through part-time work. But now, with a lifetime pension account and a strong link between contributions and pensions, a continuous employment biography is becoming much more important.

Conclusion

Concluding from the analysis of policy instruments, it can be said that there is certainly no sudden harmonisation of the social policy processes, but of course this was not the objective of the coordination, either. The member states have agreed on eight objectives to fight the dangers of poverty and financial instability facing the demographic ageing of society. They sent in their reports, and the Commission as well as the Council have agreed that a series of positive developments has been started referring to these objectives, although it is also criticized that many countries are not yet adequately prepared to the challenges that demography and economic instability mean to the pension systems of the future. Much more reform activity would be necessary to secure the pensions of there citizens (ECOFIN 51/SOC 72, 10). Sweden is praised for its reform which is projected to be financially sustainable and socially adequate, whereas Germany faces worse demographic challenges and serious economic problems, and it has achieved some progress with modernising its pension system, but much is left to do until the pension system can be regarded as financially sustainable, and this can endanger the adequacy of the pensions (ECOFIN 51/SOC 72, 141). For the gender-related policies, the German government was praised by the European institutions. It is on a good way to strengthen the individualisation of pension entitlements, and the labour market development as well as changing
family structures are probably helping to advance to a situation that is comparable to Sweden’s. This will enhance women’s independence from the market and the economic independence from the partner. In order to enhance the autonomy in the choice of living arrangements, however, it is up to the constitutional court to change its position towards marriage and other forms of cohabitation.

Hopefully, however, work sharing within households and the fight against labour market segregation are going to advance faster than they do in Sweden. Gender equality should be an overarching topic, as is said in the guidelines for the open coordination; Sweden appears to score low in sensitivity to this objective, as a discussion of insurance tariffs and average pension differences between men and women could have received more critical attention.

Gender regimes are not yet dissolving but their opposition is becoming less sharp. Labour market developments and the will of individual women to integrate into the labour market and to gain a maximum independence from partners, the state and the market appear to gradually diminish the differences between different gender regimes. EU rhetoric is decisive to equally value social cohesion and financial sustainability, and as the latest discussions show, this is exceeding the discussion about public pension schemes. It is positive that there are clear efforts to formulate gender-neutral rules as there is some sensitivity to the self-reinforcement of gendered structures within policies, and the efforts for a child-centered family policy appears to be another good step towards a better social protection of families, no matter how much women or men are engaged in the work that is connected with them.

References


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2 The member states shall see that the pension systems live up to the social policy objectives they are grounded on. They shall 1. ensure that older people are not placed at risk of poverty and can enjoy a decent standard of living; that they share in the economic well-being of their country and can accordingly participate actively in public, social and cultural life 2. provide access […] to appropriate pension arrangements, public and/or private, which allow them to earn pension entitlements enabling them to maintain, to a reasonable degree, their living standard after retirement 3. promote solidarity between generations 4. achieve a high level of employment through […] labour market reforms […] 5. ensure […] effective incentives for the participation of older workers, that workers are not encouraged to take up early retirement […] and that pension systems facilitate the option of
gradual retirement 6. reform pension systems [...] taking into account the overall objective of maintaining the sustainability of finances, [...] accompanied by sound fiscal policies, including, where necessary, a reduction of debt. 7. ensure that pension provisions and reforms maintain a fair balance between the active and the retired by not overburdening the former and by maintaining adequate pensions for the latter. 8. ensure that private and public funded pension schemes can provide pensions with the required efficiency, affordability, portability and security. 9. ensure that pension systems are compatible with the requirements of flexibility and security on the labour market, that [...] labour market mobility [...] do not penalise people’s pension entitlements and that self-employment is not discouraged by pension systems. 10. review pension provisions with a view to ensuring the principle of equal treatment between women and men, taking into account obligations under EU law. 11. make pension systems more transparent and adaptable to changing circumstances [...] develop reliable and easy-to-understand information on the long-term perspectives of pension systems [...] promote the broadest possible consensus regarding pension policies and reforms; improve the methodological basis for efficient monitoring of pension reforms and policies. (doc.no. 14098/01 SOC 469/ECOFIN 334)

3 : 57,7% in the year 2000, as compared to 69,3 in Sweden where it is little lower than the general average employment rate. In Sweden, unemployment was lower among women than men in 2000! see: Eurostat: Die soziale Lage in der Europäischen Union 2002.