

Family Policy

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Abstract

Family policy has become an increasingly important policy area in Switzerland since the 1990s. Benefits and services to families have undergone profound transformations. Some reforms became possible because family policy was increasingly defined not only as social policy but also as social investment policy promoting employment and human capital formation. This ambiguity enabled reforms to be supported by heterogeneous reform coalitions, even if long-term coalitions remain unstable and depend on the specific reform proposal. Despite these changes, Swiss family policy is still underdeveloped and falls behind that of other continental European countries. Government spending on family policy is low by international standards, and the use of formal childcare is strongly stratified by income. Important factors contributing to this slow pace of family policy modernization in Switzerland are the decentralized distribution of competences with different levels of government and the use of various direct democratic instruments to prevent or delay reform initiatives at different levels of governance. Moreover, the party system's increasing political polarization slows down reform efforts and undermines reform coalitions between socially progressive and economically liberal forces. In the face of these challenges, the adaptation of family policy to changing social and economic needs has become a litmus test for the reform capacity of the Swiss welfare state.

Keywords: Family policy, childcare policies, early childhood education and care, social policy, social investment

1 Introduction

Family policy comprises all the various programmes and measures whose purpose is to promote and enhance the wellbeing of families, particularly through financial benefits and support services (Valarino 2020).¹ State support for families through financial benefits and services has become an increasingly important policy field in Switzerland since the mid-1990s, mobilizing both the electorate and the political elite and polarizing them in various ways. A few examples serve to illustrate this political significance. In September 2020, the Swiss electorate decided to introduce a two-week paid paternity leave in Switzerland. By a clear majority (60.3 per cent in favour), they accepted the counterproposal to a popular initiative, which had demanded four weeks of paid leave for fathers. That same Sunday, however, voters clearly rejected an across-the-board increase in tax deductions for children, with 63 per cent of votes against the proposal. Two aspects make these votes particularly indicative of the changing significance of family policy in Switzerland: first, with a popular initiative, a counterproposal, as well as a legislative referendum at stake on the same day, they show the extent to which family policy has become a salient policy field in Swiss politics after the 2000s (Häusermann and Zollinger 2014). Second, the political coalitions of supporters and opponents of the initiatives were aligned quite differently across the proposals: the issue of paternity leave rallied an encompassing political coalition including the Left/Green camp, and the Centre Party (formerly Christian Democratic People's Party, CVP), as well as no fewer than nine dissenting cantonal branches of the Free Democratic Party (FDP). The increase in child tax deductions, by contrast, divided the parties along more traditional distributional conflict lines, opposing the left and the centre-right. These differences illustrate the multidimensionality and complexity of family policy initiatives in Switzerland today. In this chapter, we describe and explain these two developments – the increasing significance and salience, and the multidimensionality of the political space. On that basis, we then construct a framework for analysing more recent developments in this policy field.

¹ In a broader sense, it can also include legislation that defines the legal framework for the family (Valarino 2020). This article focuses on the social policy dimension of family policy.

The late development and politicization of family policy in Switzerland must be understood in the context of the overall development of the Swiss welfare state. Given political and institutional obstacles to social policy expansion (see Chapter ‘Social Policy’ in this handbook; see also Armingeon 2001), it was only in the 1970s and 1980s that the main social insurance schemes (old-age pensions, unemployment insurance, and health) were adopted. This implies that the focus in Swiss social policy reform until the late 1990s lied on ‘Bismarckian’ income insurance and transfers. It is only after the 2000s that the reorientation of the Swiss welfare state towards activation and social investment – in the fields of labour market policy, education, and family policy – increased in importance and pace (Häusermann 2010).

This reorientation can be attributed to a mix of structural challenges, limited resources, and polarized attitudes (Bonoli 2005). Demographic, social, and economic developments created mounting social and economic pressure, affecting not only Switzerland but also all Western democracies (Hemerijck 2013, Morel et al. 2012). In this context, international organizations, such as the Organisation for Economic Co-operation and Development (OECD) and the European Union (EU), started pushing for a rapid expansion of social investment policies sustaining employment rates and “fostering, preserving and mobilizing human capital and capabilities” (Garritzmann et al. 2022). In the field of family policy, this push implied a stronger emphasis on state support for working families and female labour market participation (cf. the OECD’s ‘Babies and Bosses’ studies, particularly OECD 2004, 2007, and 2011; and the EU’s Lisbon Strategy and the European Pillar of Social Rights, particularly European Council 2000, 2017). This expansion of social investment policies, however, came up against the limits of fiscal constraints of existing welfare states and, particularly in Switzerland, has been opposed by strengthened national-conservative forces that reject state intervention in family matters for fiscal and/or cultural reasons (see Chapter ‘Voter, Parties, and Realignment’ in this handbook).

This chapter focuses on the political response to these challenges in Switzerland. As we will show, the development of Swiss family policy is heterogeneous across policy subfields and between cantons. The reason is that family policy is an inherently multidimensional policy field (Häusermann and Kübler 2010; Häusermann 2018) and can be framed as social policy, education policy, labour market policy, integration policy, or gender equality policy. Depending on the framing and objective, different family

policy instruments are placed front and centre. From a social policy perspective, for example, financial benefits for low-income families are central, whereas from a labour market policy perspective, instruments to reconcile employment and childcare are important. From an education policy view, by contrast, the quality of childcare services is at the forefront. Despite this functional differentiation, the objectives, and instruments overlap, such that discussions about the development of family policy are always characterized by (at least potential) multiple framing and overlapping lines of conflict. Due to this multiple framing, policy development becomes difficult to steer, fragmented, and sometimes incoherent in terms of objectives. These inherent difficulties of the policy field are exacerbated in the federalist system of Switzerland, as the dimension of the distribution of competences is added to the conflict lines over the substance of family policy (Bonoli and Häusermann 2011). In this web of objectives, conflict lines, and distribution of competences, a somewhat paradoxical picture of policy development in Switzerland emerges. On the one hand, Switzerland has undergone profound reforms in the last 25 to 30 years, which clearly contradict the image of a Switzerland incapable of reform and immobilized by veto players. On the other hand, government spending on family policy in Switzerland remains low by international standards and the high net costs of supplementary childcare lead to a strong income-based stratification in the uptake of these services.

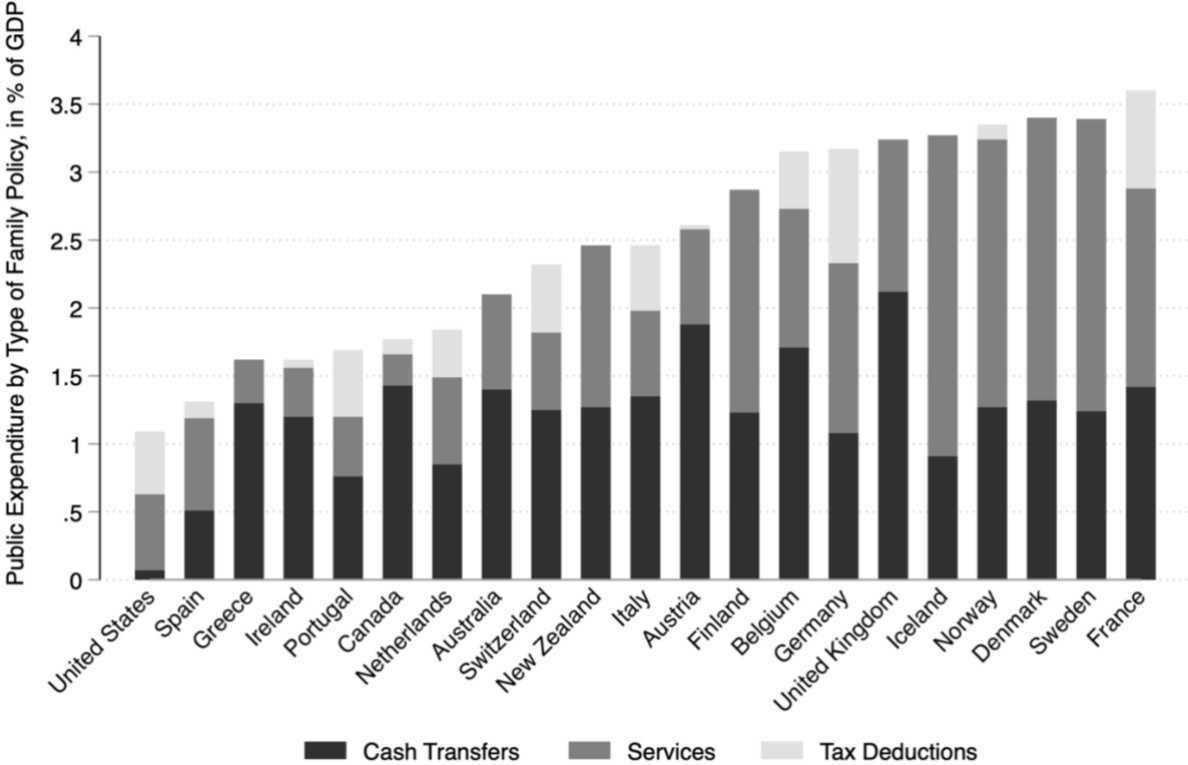
In this chapter, we examine this paradoxical development in three steps. First, we analyse the profile of Swiss family policy in an international comparison. Second, we describe the current state of Swiss family policy and its heterogeneity across cantons and municipalities. Third, we provide explanations for these far-reaching but heterogeneous developments by focusing on political actors and reform dynamics. We argue that family policy reforms in Switzerland are fragile mainly because successful policy changes are only possible with (at least partial) support from market-liberal and conservative forces. However, such support is always limited and piecemeal due to the increasingly polarized party landscape in Switzerland (Häusermann 2006, Kübler 2007). Thus, family policy is thus characterized by unstable majorities, which make finding coherent responses to structural problems more difficult, although not impossible.

2 Financial transfers and reconciliation policies: an international comparison

In social policy, a distinction is made between a) financial transfers and services and b) strong or moderate government intervention in the market economy (Beramendi et al. 2015). Traditionally, Switzerland is notable for its liberal-conservative family policy model (Esping-Andersen 1999, Dafflon and Abatti 2003): liberal in the sense that it envisages limited government intervention and spending; conservative in that it places strong emphasis on financial transfers to families (child allowances), contrasting with weak service provision (childcare for pre-school and school-age children and parental leave) and tax deductions. The emphasis on financial transfers is therefore described as conservative because it aims to partially compensate for parents’ (generally mothers’) loss of income instead of promoting a model in which both parents work.

Figure 39.1 illustrates this liberal-conservative profile in public spending on families in Switzerland. Together with Anglo-Saxon and southern European countries, Switzerland still provides below-average state support for families, although it has moved closer to the European average in the last 10 years. Financial transfers account for more than half this spending in Switzerland.

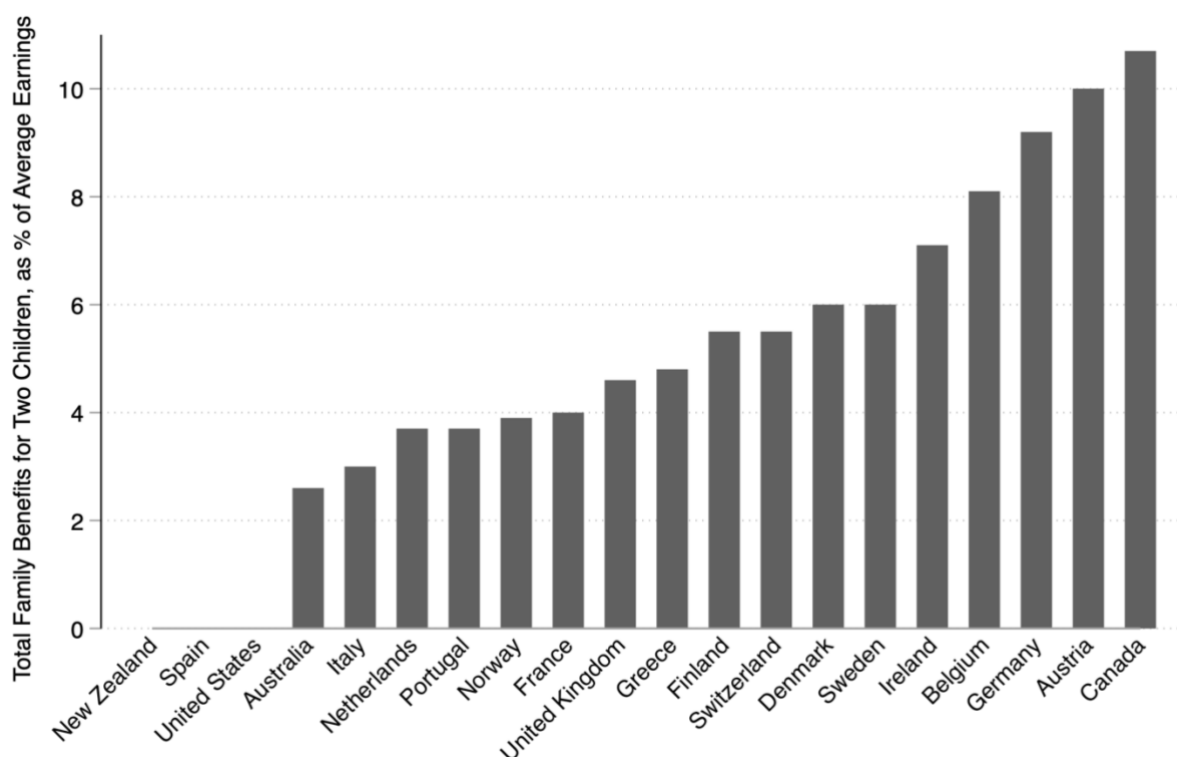
Figure 39.1: Public expenditure by type of family policy, in per cent of GDP (2017)



Source: OECD Family Database (2021).

However, aggregated spending data can produce a distorted picture of the generosity of family policies because they also depend on families' needs (particularly the distribution of income) and the level of the denominator (gross domestic product, GDP). Figure 39.2 therefore illustrates the generosity of Swiss child allowances in an international comparison, shown as a percentage of the average income of a family with one parent in full-time and one parent in part-time employment (the most common empirically observed model in Switzerland). Here, we see that when it comes to these traditional *financial transfers*, Switzerland lies precisely in the middle. As child allowances in Switzerland are set at cantonal level, the value for Zurich is shown here as an example, which has been slightly below the Swiss average since the harmonization of child allowances in 2007. In terms of financial transfers to families, Switzerland is thus part of a large group of European countries that pay allowances for two children between four and seven per cent of the average wage.

Figure 39.2: Total family benefits for two children (aged 6 and 9), as a per cent of average full-time earnings (2018)



Source: OECD Family Database (2021).

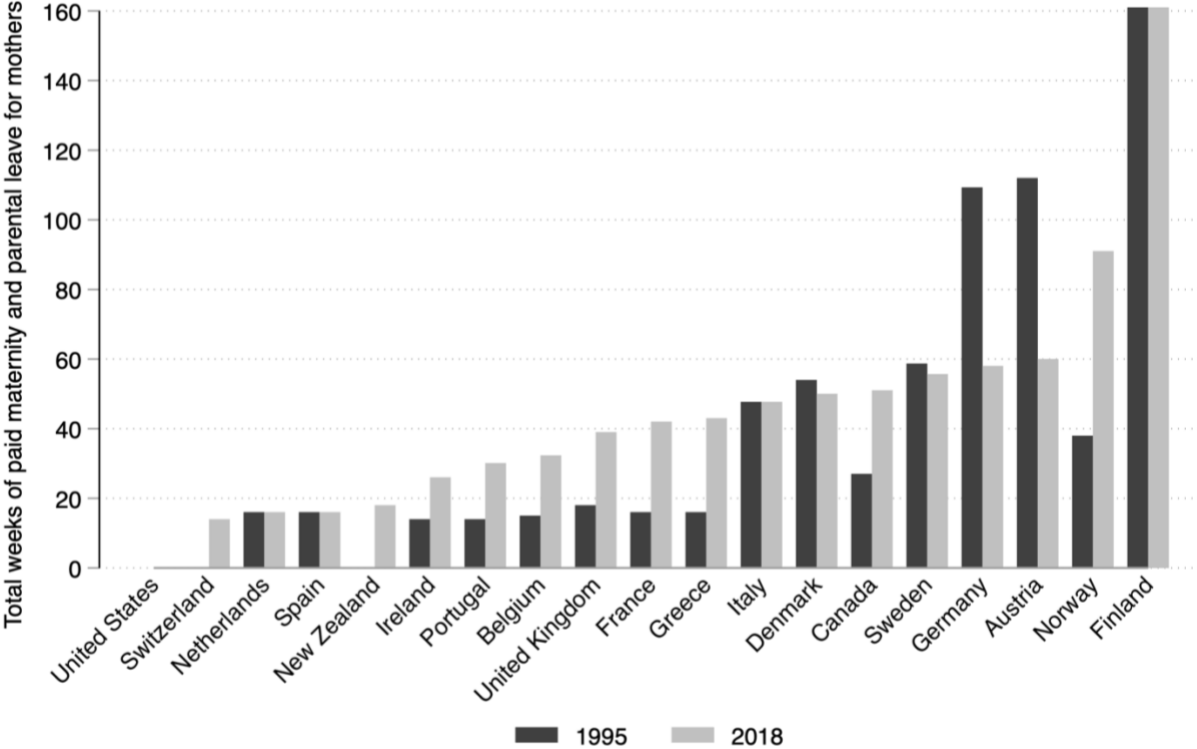
Note: Child allowances as such do not exist in the United States. In Spain and New Zealand, there are only 'means-tested' child allowances where households with two wage earners and average earnings do not qualify for these benefits.

Figure 39.1 has already shown that financial transfers are the main instrument of family policy in Switzerland. By contrast, *investments* in family services remain comparatively low. This conservative family policy paradigm, which is based on and promotes the traditional male-breadwinner model (Lewis 1992), has come under significant pressure due to several structural developments in recent years. First, the average fertility rate in continental and southern European countries fell to approximately 1.5 children per woman, a figure which is not only too low to stabilize the working population but is increasingly at odds with most families' preference for two children, which has remained stable over time (Hemerijck 2013, 64; Esping-Andersen 2015). Alongside this demographic challenge, changing family models and gender values are transforming demands about the type of support that should be provided to families, particularly in the area of reconciliation policies (Esping-Andersen 1999). And finally, while the female employment rate in Switzerland has continuously increased, it remains a predominantly part-time employment model. This low rate of full-time or higher-percentage female employment is increasingly recognized as an economic problem (see Chapter 'The Structural Shifts in Switzerland's Economy and Society, 2000–2020' in this handbook). Considering all these challenges, family policy reforms have become a key issue across continental and southern Europe (Bradshaw and Finch 2010, Häusermann 2018, Bürgisser 2022).

In Switzerland, too, debates about family policy have greatly intensified and become more centralized since the 1990s. All the family policy measures, such as financial transfers, reconciliation policies, and tax deductions, have increasingly featured on the political agenda in the last 30 years compared to the decades after the Second World War. The vast majority of initiatives were submitted in the last 30 years, whereas family policy had hardly been an issue at federal level between 1945 and 1990 (see the data on the development of the initiatives in Häusermann and Zollinger 2014). Indeed, prior to 1991, not a single policy initiative on early childhood education or day-care structures was tabled in the Swiss Parliament. Despite this growing significance of family policy in Switzerland, family policy *services* remain low compared to other countries. This applies particularly to policies to reconcile work and family life, which we illustrate here with reference to the length of paid leave for women after giving birth, spending on childcare, and childcare costs. When measured against all three indicators, Switzerland stands out for its strongly liberal-conservative position.

Figure 39.3 shows the number of weeks of paid leave to which women are entitled after giving birth (although payment levels vary). The OECD average is approximately forty weeks and has increased to fifty weeks between 1995 and 2018. Switzerland did not have legally guaranteed maternity leave in 1995. There were provisions on protection from dismissal and continued payment of wages in various collective agreements, and many employers granted their female employees maternity leave on a voluntary basis. However, at the legal level, all that existed was a prohibition on working for eight weeks after giving birth, with no provisions on wage replacement. In 2004, after several failed attempts, a statutory maternity insurance scheme was introduced following a referendum. It is funded under the Income Compensation Ordinance (*Erwerbsersatzordnung*) and guarantees working mothers 80 per cent of their salary for a period of fourteen weeks. Compared with other countries, this fourteen-week period is clearly at the lower end of the spectrum. Thus, Switzerland ranks in the group of liberal Anglo-Saxon and southern European countries, while statutory maternity leave in most other continental and northern European countries exceeds nine months.

Figure 39.3: Length of statutory paid maternity and parental leave for women after birth, in weeks



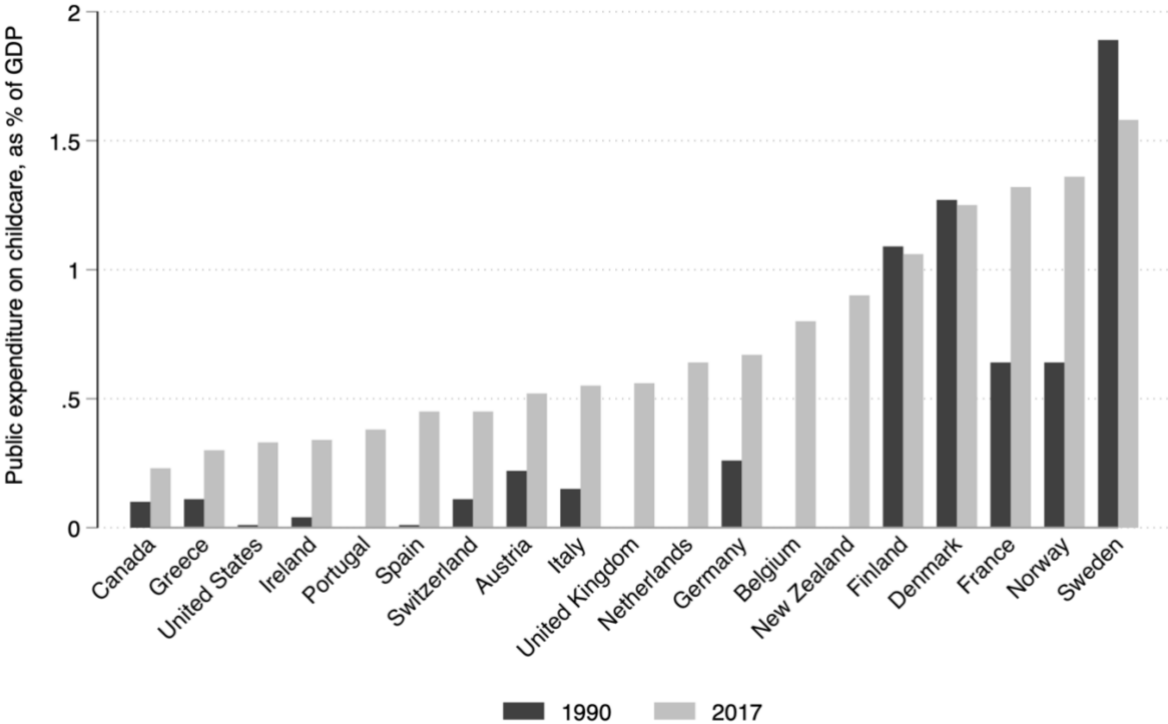
Source: OECD Family Database (2021).

Note: The United States still does not provide paid maternity leave. New Zealand and Switzerland did not introduce paid maternity leave until the 2000s.

A direct interpretation of this relatively short maternity leave as conservative, liberal, or even progressive policy does not stand up to scrutiny, however. The OECD (2007) points out that long leave periods can weaken women’s position in the labour market and set negative incentives for employment. Germany and Austria have therefore drastically reduced their respective periods of leave, which used to last more than two years. At first glance, the OECD study suggests that maternity leave in Switzerland is designed to be more labour market oriented. This impression is misleading, however, as very little early childhood care is available that would support or enable young mothers to work after the fourteen weeks of maternity leave. The contrast between the short leave period and the lack of childcare facilities perfectly illustrates the fragmented nature of Switzerland’s reluctant approach to family policy and the incentives for female part-time work.

Data on the availability of public childcare are difficult to collect because the boundary between state and non-state provision is often blurred and responsibility for these services is spread across different levels of government. The data provided in Figure 39.4 must therefore be read as approximate rather than precise figures. They show public expenditure on childcare for pre-school children (generally 0-5 years) across all levels of government in the OECD countries.

Figure 39.4: Public expenditure on childcare (as a per cent of GDP)



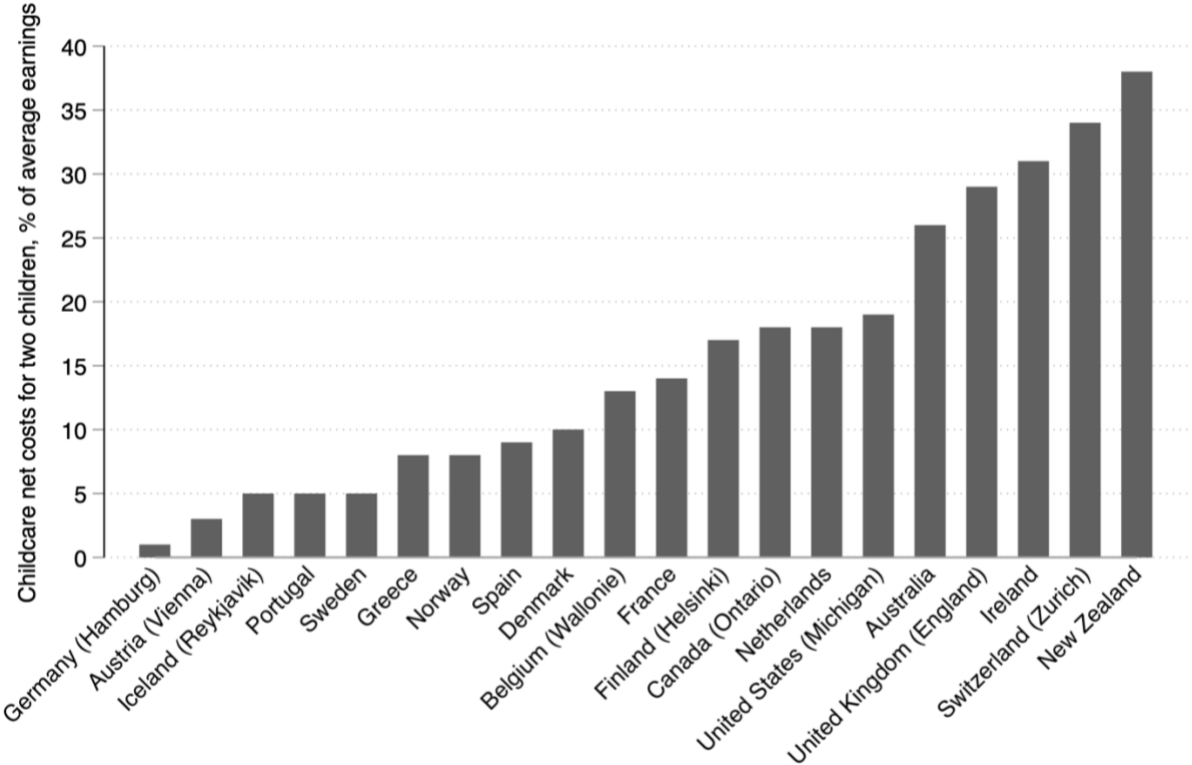
Source: OECD (2020).

Note: No data available for 1990 for the Netherlands.

It is striking that almost all countries have substantially increased their spending on childcare (apart from Sweden and Denmark, which, historically, have offered an extensive range of childcare services, Bonoli 2005). Switzerland also substantially increased its spending between 1990 and 2015, from around 0.1 per cent to more than 0.4 per cent of GDP. Despite this increase, however, Switzerland remains well below the OECD average of 0.8 per cent of GDP. What's more, roughly half the expenditure in Switzerland goes towards pre-school (kindergarten) facilities, not towards early childcare. Although these data should be viewed as illustrative, they paint a clear picture: the Swiss state's commitment to childcare provision is far less than in most other OECD countries. In fact, data from Eurostat (2020) for the year 2018 show that also the uptake of childcare in Switzerland is low. The average weekly time spent in childcare for children under three is five hours (European average: ten hours) and it is ten hours for children aged three to compulsory school age (European average: twenty-seven hours). Whether this low uptake is due to lack of demand or lack of supply cannot be determined conclusively from these figures. However, demand strongly depends on childcare costs. Here, Switzerland stands out yet again as the country where state support to families is very low compared to other OECD countries.

Figure 39.5 shows how much a family of four with an average household income (generally consisting of one full-time and one part-time wage) would have to spend on full-time childcare for two children. In Switzerland, the costs vary considerably between cantons and providers, and comparative figures are available solely for Zurich. The figures show the costs after deduction of subsidies and other support. With an average monthly household income of around CHF 10,000, the childcare costs that would have to be covered privately amount to more than CHF 3,400 per month. Despite considerable state subsidies, net childcare costs are still extremely high compared with other countries. The parental share of childcare costs in Switzerland is, on average, at least twice as high as in the rest of the OECD. Only in England, Ireland, and New Zealand are costs at a comparable level.

Figure 39.5: Out-of-pocket childcare costs for a two-earner two-child family (2021)



Source: OECD (2021).

Note: Net childcare costs for a two-earner two-child (aged 2 and 3) couple family with full-time earnings at 100+67 per cent of earnings, as a per cent of average earnings.

The continued strong emphasis in Swiss family policy on financial transfers, as opposed to services, has also significant distributional implications. Due to the low availability and high net costs of childcare, there is considerable inequality in parental uptake of childcare services. In Switzerland, these services are utilized to a disproportionate extent by higher income families (see also Abrassart and Bonoli 2015). Table 39.1 shows the formal childcare rates both as a total and broken down by income tercile. The final column calculates stratified uptake, i.e., the ratio between the lowest and the highest income tercile. Values close to one mean that children from the different income groups attend childcare with equal frequency. Values below one indicate that the services are mainly used by higher income groups.

In Switzerland, just under twenty per cent of infants from the lowest income tercile attend formal childcare, compared with more than fifty per cent from the highest income tercile. This means that Switzerland, along with Ireland, France, Belgium, and the United Kingdom, has one of the highest levels of stratification in the uptake of formal childcare. The expansion of these services in Switzerland – at

least in the initial phase – therefore mainly benefits middle- and higher-income groups, unless such services are specifically designed to target lower income groups. Garritzmann et al. (2022) have theorized how social investment policies can have either inclusive, stratifying, or targeting distributive effects, depending on their institutional policy design. Given the high cost and voluntary nature of childcare services in Switzerland, the country represents a prototypical example of stratifying social investment. As the financial transfers (child allowances and tax relief) have either proportional or regressive redistributive effects (i.e., families benefit according to their income, or, indeed, higher income households benefit disproportionately), the redistributive profile of Swiss family policy *overall* is clearly stratifying, i.e., it reinforces social stratification.

Table 39.1: Participation rates in formal childcare rates (0- to 2-year-olds) by income (2019)

	Total	1st tercile	2nd tercile	3rd tercile	Ratio: 1st/3rd tercile
Sweden	51.8	51.3	53.6	49.3	1.04
Norway	50.2	47.0	54.0	48.1	0.98
Portugal	53.4	53.9	46.7	58.8	0.92
Denmark	67.6	62.5	66.5	75.8	0.83
Austria	24.2	21.2	25.8	26.0	0.82
Spain	57.7	52.1	58.8	63.3	0.82
Germany	44.5	34.2	48.0	48.0	0.71
Finland	36.1	29.1	39.6	42.8	0.68
Greece	35.3	27.0	32.1	45.8	0.59
Italy	27.8	20.2	27.3	34.4	0.59
Netherlands	65.5	45.6	67.6	80.9	0.56
United Kingdom	45.1	31.9	41.1	59.3	0.54
Belgium	58.1	35.5	61.9	73.4	0.48
Switzerland	38.9	21.8	36.9	55.1	0.40
France	60.4	29.0	71.4	76.1	0.38
Ireland	42.9	17.9	39.1	68.9	0.26
Average	47.5	36.3	48.2	56.6	0.66

Source: OECD (2021), based on estimates with EU-SILC data.

This brief overview of the structure of Swiss family policy in an international comparison makes it clear that Switzerland lies mid-field in the OECD solely in relation to financial transfers. When it comes to reconciliation policies, it is a clear outlier in Western Europe. What is surprising about this finding is not so much the contrast between Switzerland and the Scandinavian countries, which have undergone a different historical development and have a different balance of political forces; rather, it is the fact that Switzerland differs so strongly from comparable continental European countries (Leitner 2019). Although there has been an expansion of family policy in Switzerland since the 1990s, it remains underdeveloped and features high levels of social stratification.

3 Development and state of family policy in Switzerland

This review of Swiss family policy in an international comparison may seem to suggest stagnation or even a lack of reform capacity. This impression is deceptive, however. Since the late 1990s, Switzerland has experienced genuine reform momentum in the various family policy fields. In this context, it should be noted that this review was produced during a period of major change. The data in this section should therefore be seen as providing a snapshot of current trends. Moreover, after a constitutional amendment to centralize efforts to improve childcare provision was rejected at the ballot box in March 2013, the geographical expansion of childcare provision has been characterized by a high degree of heterogeneity.

In the following, we look at child allowances, maternity/paternity leave, and childcare structures to show which significant changes have occurred and how much heterogeneity exists in family policy in Switzerland. While centralization and a move towards uniformity can be observed in relation to child allowances and maternity insurance, there has been little harmonization in the provision, costs, and funding of childcare services.

In 2006, the Swiss electorate approved a harmonization of cantonal *child allowances* at a monthly minimum of CHF 200 per child.² As a result, eighteen cantons were required to increase the allowances,

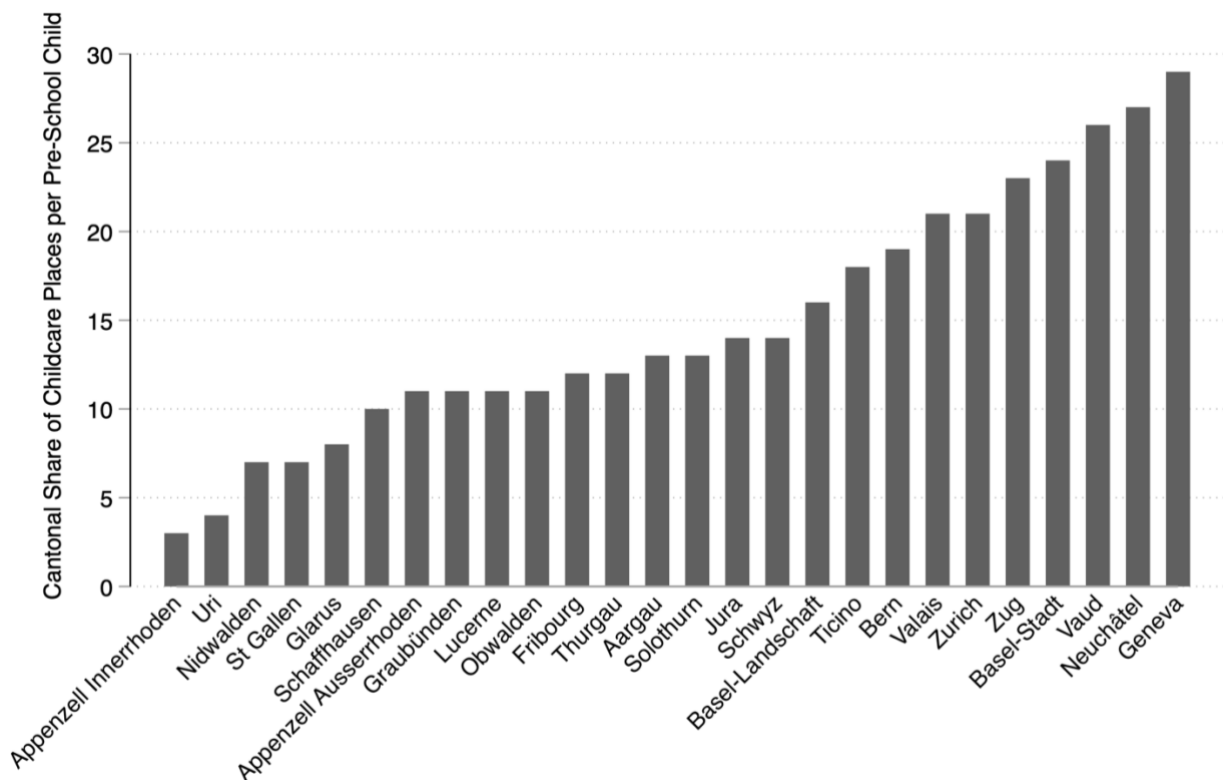
² The new Federal Act of 24 March 2006 on Family Allowances [*Bundesgesetz über die Familienzulagen vom 24. März 2006* (SR 836.2)] was a counterproposal to a popular initiative by the Christian National Trade Union Confederation of Switzerland, which called for child allowances of CHF 450/month.

although it should be noted that all cantons were already granting child allowances of at least CHF 150 prior to 2006 (Stadelmann-Steffen 2007, Bundesamt für Sozialversicherungen 2022). Following the harmonization, Basel-Stadt, Freiburg, Geneva, Jura, Waadt, Wallis, and Zug (2019) still grant much higher monthly allowances exceeding CHF 250 per child.

Similar centralization and harmonization occurred in 2005 with the introduction of a statutory *maternity insurance* scheme. As mentioned above, various attempts to move in this direction had previously failed. This turning point for maternity insurance came about because the FDP and the employers' associations (Swiss Trade Association and Swiss Employers Confederation) agreed to a uniform insurance-based solution after the initiative was limited to benefits for working mothers and provided only a short duration of fourteen weeks of maternity leave with payments equivalent to 80 per cent of the last salary (Häusermann and Kübler 2010). However, individual industries or employers are free to grant more comprehensive benefits. Furthermore, Swiss voters approved the introduction of two weeks of paid paternity leave in September 2020, with 60.3 per cent of votes in favour. Various more far-reaching proposals for longer maternity leave or for genuine parental leave are currently pending in Parliament. In particular, various Green-Liberal and Green-Social Democratic alliances are calling for models of parental leave ranging from twenty-eight to fifty-two weeks. In this area, then, it seems likely that Swiss family policy will remain in a state of flux over the coming years.

While Switzerland thus seems to have become more homogeneous in relation to child allowances and maternity leave over the past two decades, there is much more heterogeneity in the field of *childcare services*. A study by the Federal Social Insurance Office (Bundesamt für Sozialversicherungen 2018) investigated the ratio of full-time childcare places to the total number of pre-school children in the cantons (= coverage rate). Figure 39.6 shows that, as a national average, a full-time childcare place is available for just 15 per cent of pre-school children. The effective number of pre-school children attending childcare (care rate) is higher than the identified coverage rate, however, as most children do not attend childcare on a full-time basis. Assuming that on average, a child attends formal childcare two or three days a week, this means that childcare places are available for just under one third of all pre-school children in Switzerland. A comparison with data from 2010 shows that the coverage rate has almost doubled in less than ten years.

Figure 39.6: Cantonal childcare coverage rate for children of pre-school age (2015-2017)



Source: Bundesamt für Sozialversicherungen (2018).

Note: Numbers show the share of childcare places per pre-school child.

This national average, however, conceals strong geographical disparities. The coverage rate is highest in the French-speaking cantons of Geneva (29 per cent), Neuchâtel (27 per cent), and Vaud (26 per cent). In German-speaking Switzerland, the cantons of Basel-Stadt (24 per cent), Zug (23 per cent), and Zurich (21 per cent) stand out. There is a very low coverage rate in the canton of St. Gallen (7 per cent) and in the small, rural German-speaking cantons of Glarus (8 per cent), Nidwalden (7 per cent), Uri (4 per cent), and Appenzell-Innerrhoden (3 per cent).

The central role of urban municipalities is also apparent from the fact that the coverage rate in the twenty largest Swiss municipalities averages 34 per cent, with the cities of Zurich, Bern, Lausanne, and Geneva having the highest coverage (40-50 per cent). In small, rural municipalities, the average coverage rate is below 15 per cent. Alongside such formal childcare providers, day-care families play an important role mostly in more rural municipalities. An estimate from 2015 shows that Switzerland had approximately

9,000 day-care families looking after around 24,000 children (Bundesamt für Sozialversicherungen 2018).

In the political debate, a particularly contentious issue is to what extent there is unmet demand, i.e., whether there is a lack of childcare places, or whether Swiss families do not want to use formal childcare services. Estimating demand is difficult, but a study by Iten et al. (2005) shows that around 47 per cent of all surveyed households indicated unmet demand for affordable childcare in 2004, with the preferred period of care averaging two days a week. In other words, the supply existing at that time covered just 40 per cent of the estimated aggregate demand. As both supply and demand are likely to have increased since then, it seems likely that in Switzerland, demand for affordable childcare still exceeds supply.

This excess demand has also been recognized at the political level. In 2002, the Swiss Parliament passed legislation enabling newly established childcare centres to benefit from ‘start-up financing’ during their first years in operation³ (Ballestri and Bonoli 2003). This programme was subsequently extended several times and has been very successful: in the seventeen years since it began, it has contributed a total of CHF 394 million to the creation of almost 63,000 new childcare places (Bundesamt für Sozialversicherungen 2020). However, an evaluation of this start-up financing, conducted in 2018 (Bundesamt für Sozialversicherungen 2018), shows that approximately 20 per cent of pre-school children are still not receiving the required childcare to an adequate extent.

There are strong indications that the gap between demand and supply is partly caused by the costs of childcare, which are very high in Switzerland compared with other countries (see Figure 39.5), and by a shortage of means-tested subsidized childcare places. A survey of parents in 2017 showed that 43 per cent of parents rely on alternative forms of care (e.g., informal or by grandparents) because childcare is unaffordable (Bundesamt für Sozialversicherungen 2018). The level, type, and availability of means-tested subsidies that parents can claim vary considerably between cantons and especially between municipalities. A 2011 survey (Preisüberwachung 2011) showed that in most cantons, the unsubsidized full costs of a childcare place amount to CHF 100-130 per day. The substantial differences between

³ *Bundesgesetz über Finanzhilfen für familienergänzende Kinderbetreuung vom 4. Oktober 2002* (SR 861) [Federal Act of 4 October 2002 on Financial Support for Childcare].

minimum and maximum charges are striking. For childcare places that are subsidized to the maximum amount, parents pay between CHF 5 and CHF 40 per day (depending on municipality), i.e., no more than one third of the full costs. It should be noted, however, that the subsidies are strongly progressive. This means that for middle-income households with several children, whose demand for childcare is particularly price-elastic (Iten et al. 2005), childcare costs absorb a large amount of household income. The high costs are partly cushioned by tax measures, albeit to a highly varying extent. In 2011, a new federal law came into force⁴ which requires cantons to grant general tax relief for external childcare via a deductibility of effective costs up to an amount of no less than CHF 5,600 per child per year.⁵ Since then, almost all cantons have increased the maximum tax deductions for childcare costs. This is an example of the rapid and substantial shift in reconciliation policy in Switzerland, but it also illustrates how measures are targeted towards middle- and upper income families. Nevertheless, the costs to families remain high, given that CHF 6,000 is roughly equivalent to the average annual full costs of just one day of formal childcare per week.⁶ In practice, this means that the high costs act as a powerful brake on the expansion of childcare provision in Switzerland. Various studies (Ecoplan 2008; Prognos 2009) have identified labour costs as by far the most important cost factors, while rent, food, and administrative costs being less significant.

These findings point to the dilemma that characterizes the debate on childcare policy in Switzerland: lower costs for parents and hence a better match between supply and demand are achievable either through more generous public subsidies or through lowering quality standards (the ratio of caregivers to children). As a result, even advocates of public childcare expansion are divided over how this goal should be achieved. Due to this multidimensionality, complex lines of conflict have emerged among advocates and opponents of family policy in Switzerland. In a final step, we will therefore discuss how

⁴ *Bundesgesetz über die steuerliche Entlastung von Familien mit Kindern vom 25. September 2009* (SR 642.11) [Federal Act of 25 September 2009 on Tax Relief for Families with Children].

⁵ Tax deductions may be claimed for children who have not yet reached the age of 14 and only if the costs are directly and causally related to the parents' employment, training, or incapacity.

⁶ This figure is derived from the full costs calculated by Prognos (2009: 11) of around CHF 120 per child per day in the cantons of Zurich and Vaud.

these diverse conflict lines have occasionally enabled far-reaching reforms of Swiss family policy without, however, leading to stable for a coherent expansion.

4 Actors and reform dynamics

Besides the governments and administrations at the various state levels, the key actors in Swiss family policy are the political parties. In addition, there are specialized stakeholders such as Pro Familia, the Swiss Childcare Association, and the Federal Commission for the Coordination of Family Affairs (COFF) at national level, as well as the OECD at international level, all of which provide expertise in support of family policy and thus contribute to the debate, but whose political influence is limited. Family policy has also become a key policy field for economic interest groups, trade unions, and particularly employers' associations, in the last two decades.

This expansion of relevant actors must be understood in the context of the changing significance of family policy, as briefly discussed at the beginning of this chapter. Häusermann and Kübler (2010) emphasize, in this context, the importance of framing, i.e., how family policy goals and functions are interpreted. Having been a social policy field first and foremost, family policy has increasingly acquired economic policy relevance. In other words, family policy measures can be supported or rejected depending on the interpretative frames that are used: alongside the social and equality policy frames, the labour market policy frame is central here, whereas integration and education policy arguments have played a less significant role in Switzerland's family policy debate so far.

The emphasis on the multidimensionality of family policy is key to understand the reform momentum in Swiss family policy since the late 1990s.⁷ In fact, the positions of the Left in particular (Social Democratic Party of Switzerland (SP) and trade unions) and family organizations have remained largely unchanged since the 1980s (Häusermann and Zollinger 2014). These actors have consistently supported

⁷ The following federal-level reforms should be mentioned in particular: the introduction of maternity insurance in 2005, the harmonisation of child allowances in 2007, the introduction of start-up funding for childcare providers in 2003 (extended several times), the Federal Act on Tax Relief for Families with Children in 2009, the Intercantonal Agreement on Harmonisation of Compulsory Education (Harmos) 2009, and the introduction of two weeks of paid paternity leave in 2022.

an expansive and progressive social policy programme in relation to maternity insurance, parental leave, reconciliation policies, and child allowances, and in some cases have themselves placed corresponding demands on the political agenda. However, on their own, they were always too weak to push these demands through the political process.

By contrast, what has changed since the 1980s – on a case-specific basis and with variation over time – are the positions of the centre-right parties, i.e., Centre Party (formerly CVP) and FDP, and the employers' associations (Kübler 2007). Both the maternity insurance scheme in 2004 and the introduction of federal subsidies for childcare centres and paternity leave at national level were successful solely because some groups of employers and factions within the centre-right parties supported them. Palier (2005) coined the term 'ambiguous agreements' for these heterogeneous reform coalitions, whose notable feature is that the various actors within the coalition support a reform for entirely different reasons. In other words, they agree solely on specific reforms, but do not necessarily reach a more far-reaching consensus on the purpose and objective of family policy as a whole. The reform capacity and the substantive direction of family policy reforms in Switzerland therefore crucially depend on the positions of centre-right parties and employer organizations, and on whether they are divided among themselves or not. In Swiss politics, we broadly observe two models of coalition-formation, which allow for reform support to extend into the centre-right camp: labour market policy arguments on the one hand, and broader socio-political arguments on the other hand.

From a labour market policy perspective, it should be emphasized that the mobilization of women into the labour market has gained in importance for employers and centre-right parties due to the growing skills shortage. Reforms which include incentives to increase the female employment rate, increase the retention of women in the labour market during the family phase, and improve employers' ability to attract skilled female workers, thus have a chance of securing political support from the centre-right parties and employers' associations. There are many examples to illustrate this point. Compulsory maternity insurance, for example, was only approved in the referendum once the benefits for stay-at-home mothers had been removed from the proposal. The start-up funding for childcare centres in 2003 and its numerous extensions were also supported by employers' groups and centre-right parties. At the cantonal and municipal level, too, there are numerous examples of these 'social-liberal' reform

coalitions. In the city of Lucerne, for example, there was a fundamental policy shift between 2004 and 2014 towards improving childcare provision, funded inter alia by subsidized childcare vouchers (for a case study, see Häusermann and Zollinger 2014). This policy shift was made possible by a heterogeneous reform coalition, pursuing objectives related to gender equality and the social integration of children, as well as the increased participation of well-educated women in the labour market.

Socio-political arguments can also lead to heterogeneous expansive reform coalitions. Recently, this dynamic was observed in the referendum campaign on the introduction of paternity leave at national level. This proposal can be traced back to a popular initiative, which was launched successfully by an alliance of trade unions, women's organizations, men's organizations, and family organizations calling for four weeks of paid paternity leave. The Federal Council and Parliament put forward a counterproposal for two weeks of paternity leave, whereupon the original initiative was withdrawn. This moderate version of the proposal was put to a popular vote and was supported not only by the left-wing parties, Greens, and Green Liberals but also by the Centre Party (formerly CVP). The FDP and employers were internally split over the issue. The arguments in favour of the proposal in the centre-right camp were framed mostly in terms of gender equality policy.

This variance of actor configurations in Swiss family policy has two consequences. First, it implies that reform capacity is weak and fragile. The opportunities for shifting alliances strongly depend on the dynamics of the party system at the national, cantonal, or even municipal level in question, the timing of the reform processes relative to the electoral cycles, and the economic conditions. In particular, the ongoing polarization of the Swiss party system contributes to a political environment in which it will probably become more difficult to implement family policy reforms. The second consequence is that the reforms tend to be substantively incoherent, because support coalitions are situational and come at the price of compensations, which can put the reforms themselves at risk. A recent example is the failure of efforts to increase child tax relief in September 2020. A coalition advocating for reconciliation policies was keen to ensure that this tax deductions would be available solely to working parents or be applicable only to formal childcare. Conservative groups, by contrast, extended the deductions to all parents, resulting not only in a fiscally regressive policy proposal but also a proposal void of its initial labour market significance and function. As a result, it was ultimately opposed by left-wing and some

employers' groups and failed. These examples illustrate the instability of political coalitions for modernizing family policy in Switzerland.

Outlook: family policy as a litmus test

As in most European countries, family policy in Switzerland has become an increasingly important and controversial policy field since the 1990s. In this chapter, we have shown that financial transfers to families and reconciliation policies (maternity/paternity leave and childcare policy) have undergone far-reaching changes which were previously unable to secure a majority in the political process. These reforms became possible because family policy was no longer framed solely as social policy but was also defined and recognized as labour market policy and hence as economically relevant. This multiple framing of family policy made it possible for reforms to be supported by heterogeneous coalitions. The success of these reform coalitions is fragile, however, and depends strongly on the specific policy design. Despite these reforms, family policy in Switzerland continues to be a major work in progress in both functional and political terms: the supply of childcare is (still) insufficient to meet demand, and political advances and controversies still characterize this policy field at all three levels of government. Not least, it is noticeable that Swiss family policy has fallen far behind developments in most other continental European countries.

So why is the modernization of family policy progressing more slowly in Switzerland than in other countries? The most important factor is probably the coordination issues associated with decentralized distribution of competences in this policy field. All three levels of government are involved in policy development, which means that policy debates often focus on institutional competences and the allocation of funding rather than on substantive goals. In the literature, this reform-dampening effect of federalism is illustrated by an image of a revolving door, with the various government levels each passing the responsibility to another (Bonoli and Häusermann 2011). The large number of veto points reinforces this revolving door effect as reform opponents have several instruments available with which they can obstruct family policy initiatives at multiple government levels.

However, the decentralized structure cannot explain these reform difficulties alone, as other countries with federal systems, such as Germany, have adopted even more far-reaching reforms. Two additional factors seem to matter, as well: supranational reform pressure on the one hand, and party-political polarization on the other hand. First, the European Union has developed a very active policy to encourage the development of childcare infrastructure, e.g., by setting targets for its member states – e.g., the specific objective of providing childcare for at least 33 per cent of children under three years of age (European Council 2008). This impetus has generated reform pressure at the level of member states that was not present in the same way in Switzerland (Ahrens et al. 2010). Even though the OECD recommendations for Switzerland regularly highlight the patchy coverage with childcare services, this reform pressure is not comparable with the concrete policy goals set by the EU for its member states. Second, the political polarization of the Swiss party system towards an increasingly powerful radical right faction acts as a brake on the expansion of family policy by making it more difficult to forge heterogeneous coalitions between progressive and market-liberal forces.

Given the clear and unequivocal social and economic pressure in favour of family policy expansion on the one hand, and the genuinely political and institutional obstacles that go against such an expansion on the other hand, the adaptation of family policy to changing social and economic needs can be regarded as the litmus test of the Swiss welfare state's capacity to reform. The political balance of power and the experiences of the past three decades suggest that the expansion of formal childcare provision is likely to have good chances of success, at least in the (growing) urban centres and specifically for educated middle-income families. However, this is likely to further reinforce the strongly stratifying effect of these policies. Far-reaching reforms, such as those observed in most other European countries, including generous parental leave, parents' right to work part-time, and the right to a childcare place for pre-school children, are unlikely to garner a broad political majority.

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