



Discussion Paper



Gender Mainstreaming in Employment Policies in Germany

Elisabeth Botsch, Friederike Maier

Harriet Taylor Mill-Institut für Ökonomie und Geschlechterforschung
Discussion Paper 08, 12/2009

Herausgeberinnen
Miriam Beblo
Claudia Gather
Madeleine Janke
Friederike Maier
Antje Mertens

**Discussion Papers des Harriet Taylor Mill-Instituts für Ökonomie und
Geschlechterforschung der Hochschule für Wirtschaft und Recht Berlin**

**Herausgeberinnen: Miriam Beblo, Claudia Gather, Madeleine Janke,
Friederike Maier und Antje Mertens**

Discussion Paper 08/2009

ISSN 1865-9608

Download unter Publikationen: www.harriet-taylor-mill.de

Gender Mainstreaming in Employment Policies in Germany

Elisabeth Botsch and Friederike Maier

This report was originally produced as part of the work of the European Commission's Expert Group on Gender, Social Inclusion and Employment (EGGSIE) and was funded by the European Commission. The report was drafted in 2007 and revised by the authors in autumn 2009. We are grateful to the detailed comments and ideas of our reviewers. Special thanks to Sigrid Betzelt.

Authors

Elisabeth Botsch is Executive Director of Deutscher Frauenring e.V., one of the leading women's associations in Germany, and Assistant Lecturer at Berlin School of Economics and Law. Since 2009, she is the German member of the European Commission socio-economic expert network on non-discrimination. She is a member of the Alliance of German Women's Organisations and in 2008 co-edited the Alternative Report in response to the 6th Periodic Report of the Federal German Government on the UN Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) and is currently working on aspects of multiple discrimination.

Friederike Maier is Professor for Economics specialized in the field of labour economics, social policy and income distribution. She is doing research in these fields, always including gender aspects, actually working on questions like economic performance and gender regimes, feminist theories of macroeconomics. She is the director of the Harriet Taylor Mill-Institute for Economic and Gender Research, which is Germany's only university based Institute on these topics. Since 1992 she is the German member of the European Commission's expert network on gender and employment, which was coordinated till 2007 by Prof. Jill Rubery.

Abstract

Gender mainstreaming as a principle of designing, implementing and evaluating policies according to their impact on men and women and their lives is one of the leading principles of EU policies. All national governments agreed on this principle but only a few countries really developed a gender mainstreaming approach. The paper is an attempt to describe the development of employment policies in Germany since mid 2000 and to analyze its gender impact – as far as possible. It shows that most elements of the far reaching reforms of labour market regulations which came into force since 2005 do have a negative impact on women's employment position, especially regarding the wages and employment conditions. The German government – although committed to the overall principle – did not hesitate to implement its policies although the negative impact could be foreseen. The paper covers the period till 2008, the recent developments since the beginning of the economic crisis are not included.

Table of Contents

Introduction	1
1. Gender equality in Germany.....	2
1.1 Introduction	2
1.2 General overview	3
1.3 Action plans	4
1.4 Equality legislation	6
1.5 Equality infrastructure	8
1.6 Summary and conclusions.....	12
2. Analysing employment policy	13
2.1 Active labour market policy	13
2.2 Overview of recent developments.....	14
2.3 Effects on gender equality	15
2.4 State of affairs with regard to gender mainstreaming	19
2.5 Summary and conclusions.....	21
3. Pay and career policy.....	22
3.1 Introduction	22
3.2 Overview of recent developments.....	23
3.3 Effects on gender equality	24
3.4 State of affairs with regard to gender mainstreaming	26
3.5 Summary and conclusions.....	28
4. Life cycle and reconciliation policy.....	29
4.1 Introduction	29
4.2 Overview of recent developments.....	29
4.2.1 Child care facilities	29
4.2.2 Increase of retirement age	33
4.3 Effects on gender equality	34
4.4 State of affairs with regard to gender mainstreaming	36
4.5 Summary and conclusions.....	37
5. 'Flexicurity' policies.....	37
5.1 Introduction	37
5.2 Overview of recent developments.....	38
5.3 Effects of labour market reform on gender equality	41
5.4 State of affairs with regard to gender mainstreaming	41
5.5 Summary and conclusions.....	42
6. Employment policy and gender mainstreaming in Germany	42
6.1 Summary and conclusions.....	42
6.2 The way forward	44
References	46

Introduction

The following report was produced to contribute to international assessments to analyse the state of the art of gender mainstreaming policies in the area of employment policies. It refers on the situation prior to 2008 and the economic crisis and is an ex post analysis of Germany's gender mainstreaming policy in employment and labour market policies.

Germany's economic performance continued in 2006 and 2007 to be marked by strong exports, reflecting many years of trend improvement in external competitiveness, but a persistently weak domestic demand. To some extent these two trends are linked. Wage moderation, while strengthening competitiveness, has resulted in weak household income growth therefore restricting consumption and causing lower inflation compared to other Euro-area countries. This has raised the real interest rate in Germany and the absence of exchange rate movements due to the single currency is likely to have supported exports. There was evidence that domestic demand was growing and soft data on business confidence and incoming orders signalled that economic growth may become more substantial in 2008.

Despite the strong exports in Germany during the last decade, a quite difficult situation in the labour market and the employment system has emerged. This has been characterised by high rates of unemployment alongside high rates of long term unemployment; sharp regional differences in employment and unemployment developments between East and West and a very moderate economic growth. This process of labour market stagnation was accompanied by a policy of decreasing public expenditure in education and parts of social policy such as unemployment benefits or health care. The employment system in Germany was characterized by decreases in real wages, an increase in wage differentials and growth of the low pay segment especially in the service sector industries.

Women's and men's economic and social situation is characterized by the growing labour force participation of women in West Germany and decreasing participation rates in East Germany both for men and women. The employment growth for women was mainly due to the growth of part-time work, both in employment covered by social security and outside social security. The gender differences in employment remained large: wage gaps as an accumulation of differences in vertical and horizontal positions in the labour market as well as differences in human capital remained high – and had women not substantially increased their

education and training levels the wage gap would even be higher than the reported 25%.

Gender relations with respect to the labour market remained largely intact although men's unemployment remained on a high level especially in East Germany where we observe a relevant number of families with women as the main breadwinners. Nevertheless, women's labour market integration was still organized around the notion of them being a second earner and they tend to withdraw from employment in order to care for their young children. The reconciliation of work and family is still organized as a system of subsequent periods with rather long periods out of employment. Men are still rarely engaged in parental leave.

Although the society as a whole and the wishes and needs of parents as well as men and women have changed during the last few decades, the institutional regimes in labour markets, family and social policy remained nearly untouched. This is despite gender mainstreaming gaining the status of an official guiding principle in policy development processes, implementation and assessment. In the following section we try to give an overview of the developments in Germany during the last decade.

The aim of this paper is to analyse the development of gender equality in the labour market, the relation of these developments to the implantation of gender mainstreaming as a guiding principle of government policies and the results of these policies.

1. Gender equality in Germany

1.1 Introduction

The principle of gender mainstreaming and its relevance for policy processes is controversial in Germany. There are relatively few findings about the real effects on the national, federal and local levels and in organisations. Gender mainstreaming in Germany is an ambivalent story encompassing successes and difficulties that exist in parallel and show a broad diversity. The process of gender mainstreaming has to be considered on different levels: the agenda setting, institutional acts and the effects the institution can produce. In these terms, gender mainstreaming appears to act as a potential tool for debating and changing the situation of women and men (Baer 2005).

1.2 General overview

Over the last decade in Germany, there has been an increase in gender equality, in particular through a series of policy measures introduced by the governmental coalition of the Social democratic (SPD) and the Green party. We observe some changes in equality legislation and the implementation of gender mainstreaming since 1998.

However, realising gender equality is more challenging. We find a strong growth in education as young women reach higher levels of education and achieve better exam results but there continues to be a gender gap in the employment system. The dual apprenticeship system is gender segregated and there is a general lack of places in private firms. Young women are still confronted with difficulties in searching for adequate jobs compared to young men and are generally less likely to participate in further education.

Female labour market integration has increased. Almost 60% of women are integrated in the labour market, but participation rates of women and men still greatly differ. Part time work, unequal pay, job segregation, unequal division of labour in the home and a lack of child care facilities still characterise the current situation. There is a growing proportion of women working in part-time employment or marginal part-time employment or self-employment at a very low level of earnings.

The majority of married women are working in part-time or mini-jobs. Structural inequalities persist in Germany due to the persistence of the modified male bread winner model which combines a male bread winner with a wife working part time or in a mini-job who also takes responsibility for home and care work. These inequalities particularly affect women with (young) children. This group of women suffers of the lack of child care facilities whereas women without children have fewer problems to be fully integrated in the labour market and to pursue career plans.

In the last 10 years, many things have changed, which affect gender equality indirectly. Especially the implementation of the labour market reforms ("Hartz" regulations), new regulations on the right to work part-time, new labour legislation regulations on dismissals protection and "Elterngeld" replacing "Erziehungsgeld" affect gender equality.

Other parts of economic and social policy like public investment in primary, secondary and tertiary education, changes in the health care sector, the reduction of public sector employment and provision of public services have an impact on men and women and are challenged by the gender mainstreaming principle in addition.

1.3 Action plans

The Federal Ministry of Family Affairs, Senior Citizens, Women and Youth does not follow a strategy of developing special action plans on gender equality in employment and the labour market. On the homepage, the Ministry's strategy is described in the following way:

"Characteristic of our modern equality policy is to use our measures to consider the whole diversity of women's and men's lives and how they are represented in Germany today. It concerns equal opportunities for women and men with and without children, of all ages, in all phases of life and in specific life situations.

If one analyses the equality policy deficits in Germany, gender-specific division of labour in the family and at work remains an ongoing challenge. It is the cause of much unequal treatment: in decision-making positions in politics, organisations and at work, women are represented much less. Their (life) income is still significantly below that of men, accordingly their social security is also lower. This does not lastly trace back to the fact that main responsibility for family duties is still assigned to women and for men the responsibility of family upkeep.

These attributions are based on role clichés, which also suppress career choice: girls and women concentrate on typically female professions in their education and career choice, which in general offer less pay, less career progression and fewer prospects for the future; boys and men seldom choose professions in the social sector.

Only gradually are companies shaping the industrial world so that women have the same opportunities for progression, only gradually are family-friendliness at work, childcare and nursing care being supported effectively.

Improvement in the reconciliation of family life and work for men and women is the main concern of equality policy today: without removing gender-specific responsibilities in the family and at work, and without willingness to create the

necessary conditions for this equality, it is not achievable. Women and men as well must be in a position to give up one-sided role relationships and be able to realise their own life plans.

We promote equality by

- *The introduction and control of equality policy concerns within the federal government, in particular in legislative work*
- *Project promotion and institutional promotion of social protagonists in the field of equality policy,*
- *Research and project models,*
- *Supporting nationwide networks (including online support) as well as co-ordination agencies and competence centres,*
- *Co-operation with federal states and municipalities with non-governmental organisations and companies,*
- *Representing equality concerns in international bodies" (homepage of the Ministry)*

This statement recognises Germany's major deficits concerning gender equality and it makes a clear announcement to not develop a central strategic approach (apart from the major efforts to change policy in the field of reconciliation by changing parental allowance schemes (see chapter 4)). By defining gender inequality as a result of gender role stereotypes, the role played by economic and social policies and the impact of economic constraints on people's choices is neglected.

On 7 March 2007, the parliamentary groups of CDU/CSU and SPD in the Bundestag proposed a motion entitled "Promoting equal opportunities of women in the labour market". The motion accurately describes the current labour market deficiencies for women in Germany, significant pay gaps, job segregation, the irritatingly low number of women in leading positions in the private sector, as well as deficiencies in introducing more family friendly working conditions and child care facilities. Members of Parliament demand the realisation of equal opportunities policies that strengthen gender equality in the labour market and its respect in future labour market reforms. The motion does not include specific and clear steps to develop a

policy towards equal opportunities. (Deutscher Bundestag (2007) Bundesdrucksache 16/4558, 7.03.2007)

An action plan is only envisaged in one area: The federal government has announced to re-implement the action plan to combat violence against women in 2007, which is a broad conception providing changes on all levels. This action plan works on the prevention of violence, on legislation, on cooperation between governmental institutions and non-governmental relief offers, on networking on the federal level, on work with offenders, on the sensitization of experts and the public and international cooperation about violence against women. This action plan combines the former working groups on the governmental- federal level about "Frauenhandel" und "häusliche Gewalt". The following measures have already been realised: the protective law against violence became effective in 2002 facilitating the relinquishment of flats to women in case of separation. The Berlin project of intervention against violence at home (BIG) has successfully connected field work measures by the police, by criminal and civil law as well as social measures. Since June 2000 foreign wives can receive an independent right of residence more easily. The Federal Criminal Police Office offers special advanced trainings for policemen investigating in cases of Frauenhandel.

1.4 Equality legislation

In the last few years there was little change in equality legislation in Germany. Today almost all federal states have equality laws which have been developed from the first "Frauenfördergesetze" in Saarland and NRW regulating recruiting quotas for female employment in the public service. The Land Berlin has the most elaborated equality law called "Landesgleichstellungsgesetz" engaging all institutions in Berlin to promote equal opportunities for women and men and to actively contribute to support women.

In 1994, a new article was added to the German Constitution that provided the obligation for the authorities to fight inequality between men and women: „The State promotes the factual implementation of gender equality between men and women and strives to eliminate existing disadvantages.“ ("Der Staat fördert die tatsächliche Durchführung der Gleichstellung von Frauen und Männern und wirkt auf die Beseitigung bestehender Nachteile hin.")

In 2001, the "Frauenfördergesetz" of 1994 was substituted by the Federal Equality Law, marking a change in paradigm. All forms of existing discrimination were to be eliminated and future discrimination to be prevented. (Schiek/Horstkötter 2002)

However, a draft law from the Federal Ministry of Family Affairs, Senior Citizens, Women and Youth, introducing similar legislation covering gender equality in the private sector, failed after many years of negotiations (Pfarr 2001). As a result of this, obligations for the private sector exist on a voluntary basis only.

Today we find equal opportunity commissioners in all departments of the public service. The equal opportunity commissioners are sometimes related to gender mainstreaming policies but this is not always the case. Berlin State, for example, constructed a separate institutional structure to develop and implement gender mainstreaming policies in the public sector and persons responsible for GM do have a lower legal status than equal opportunity commissioners. Sometimes GM and equal opportunity commissioners can work together but sometimes they do not cooperate and regard themselves as independent actors in the field of gender equality. The relation between equal opportunity policy and GM strategies is not always easy and clear.

In 2000 all departments of the Federal Ministries were committed to implement gender mainstreaming as guiding principle in all political, legal and administrative measures of the federal government. In November 2001, the federal equality law became effective, providing the implementation of the principle of gender mainstreaming in its article 2. The federal states have also implemented gender mainstreaming regulations.

The Government tried to put gender mainstreaming in practice through several steps and an inter-ministerial working group was created to manage this process. The results and experiences of 33 pilot projects were introduced in manuals and checklists and an electronic manual on gender-mainstreaming called Knowledge Network ("Wissensnetz") was allocated. At the same time, training seminars on gender mainstreaming were organized in all departments with the goal to raise the gender awareness of the management. Following the pilot phase in December 2003, gender mainstreaming is to be established as an element of modern administration in all governmental departments. The Federal Ministry of Family Affairs, Senior Citizens, Women and Youth founded the Gender Kompetenz Zentrum - an institute of applied research at Humboldt University in Berlin - with the task of

attending the implementation of gender mainstreaming and consulting the Federal Government.

In August 2006, the Law on Equal Treatment „Allgemeines Gleichbehandlungsgesetz“ (AGG) against discrimination became effective. In implementing the AGG Germany fulfilled the obligations of the EU-directives, protecting citizens against all sorts of discrimination. The AGG covers employment and social legislation, private law and civil service law. It focuses mainly on job discrimination for reasons of gender, race or ethnic origin, religion or ideology, age, disability and sexual identity.

More importantly, and aside of equality legislation, a number of new regulations can be identified that greatly affect gender equality. The labour market “Hartz” reforms account for many of the effects on women’s lives (this will be described more precisely in section II.2). The same applies to new regulations on the right to work part time (section II.5), new regulations on employment protection legislation (EPL, section II.5) and new legislation on parental allowances (“Elterngeld” replacing “Erziehungsgeld”., section II.4)

1.5 Equality infrastructure

The gender equality infrastructure has been developed during the last seven years and is continued by the present government. Until now there are no changes publicly announced.

The Federal Cabinet’s resolution on gender mainstreaming as a guiding policy principle came into practice in June 1999. It acknowledged the equality of men and women as an ongoing guiding principle of its policies and actions in the meaning of gender mainstreaming. The Federal Government’s Joint Rules of Procedure (Art. 2 GGO) dated July 2000 in section 2 provides for every department’s obligation to comply with this approach in all political, normative and administrative measures taken by the Federal Government. The gender mainstreaming principle is also embedded in section 2 of the Federal Equal Opportunities Act (Bundesgleichstellungsgesetz). This constitutes the legal basis of gender mainstreaming in the Federal administration. For its practical implementation two structures have been created:

- the high-level “Inter-Ministerial Working Group Gender Mainstreaming” (Interministerielle Arbeitsgruppe, IMA GM) with a preparatory working group at the working level and sub-groups on particular issues;
- the GenderCompetenceCentre (GenderKompetenzZentrum) to give technical and strategic advice to the Federal Ministries.

Every Ministry is responsible for implementing gender mainstreaming in its purview.

For stage 1 of the implementation process (2000 until the end of 2002) the IMA agreed upon the following projects:

- advanced training and sensitisation measures for the staff including executives; at least one pilot scheme; development of first structures and tools for gender mainstreaming in administrative action;
- PR on gender mainstreaming.

In 2001, all ministries launched at least one pilot scheme, covering the full range of political-administrative action such as measures to activate third parties (e.g. promotion guidelines, research awarding, PR) or law-making projects and/or intra-ministerial procedures (e.g. administrative procedures, staff development concepts).

Most pilot schemes were concluded in December 2003 and their results were presented in the network of knowledge for a practical implementation of gender mainstreaming in the entire Federal Administration. More information can be found at the Federal Government’s website www.gender-mainstreaming.net, which presents the major tools, instruments and ideas for gender mainstreaming.

The Federal Government’s objective for stage 2 of the implementation process (since 2003) is to tie down gender mainstreaming in all federal ministries on a sustainable basis. but this strategy has never been followed on the coherent base, as the newly elected government in 2005 step by step moved away from the gender mainstreaming concept on the federal level.

The development of gender competence for different actors is an important part of gender mainstreaming approaches. Gender competence includes the sensitisation for gender-specific impact of political measures in every ministry and methodical knowledge of the application of gender mainstreaming as a strategy. Gender

competence can be established through training and advanced training, practical use, updating and optimisation of the network of knowledge and tools as well as optimising and updating information on gender mainstreaming through electronic media (i.e. a newsletter) for example.

The implementation of gender mainstreaming in the Federal Government is supported by the Gender Competence Centre, an independent research and advice institute at the Humboldt Universität zu Berlin. This acts as a coordination and mediation institution between the ministries and gender experts and practitioners in a non-competitive and interdisciplinary fashion. It first covers the demand for advice in the federal ministries by ad-hoc advice.

More information on gender mainstreaming and gender aspects in purviews and domains can be found at www.genderkompetenz.info.

As to gender budgeting, conceptual proposals remain to be elaborated for implementation in the Federal Government, focussing primarily on gender-sensitive analysis and budget estimates. After a first feasibility report (Färber et al 2006), the Federal Government decided not to implement any gender budget processes on the Federal level.

In its Sixth Report on the United Nations Convention to Eliminate all Forms of Discrimination Against Women (CEDAW), submitted to the CEDAW Committee in 2007, the Federal Ministry for Family Affairs, Senior Citizens, Women and Youth noted that "the adoption of the English-language concept of "gender mainstreaming" led to resistance in some quarters, which prevented the sustainable establishment of the goal of gender equality in some contexts" (Sixth Report 2007). For this reason, the Federal Ministry has implemented a new orientation with regard to the concept of gender mainstreaming, presenting equality policy as the result of a preventive process, thus making gender equality more attractive. The new strategy targets equal participation of women in the working world, reduction of gender specific risks and overcoming role stereotypes.

According to the Alternative Report submitted by the Alliance of German Women's Organisations in November 2008 in response to the Sixth Periodic Report of the Federal German Government, gender mainstreaming is no longer proactively pursued by the current Federal Government. In order to create a new orientation of gender equality, the Interministerial Working Group on Gender Mainstreaming and

the Gender Mainstreaming Unit at the Federal Ministry for Family Affairs Senior Citizens, Women and Youth were abolished. The women's organisations criticised that "this new adjustment in equality policy is not based on an analysis of previous policy strategies and outcomes. The crucial changes to structural framework conditions are not mentioned as an objective." (Alliance, Alternative Report 2008). Gender budgeting has not been implemented by the Federal Government. "Despite the declaration of intent on gender budgeting in 2004 and the European Symposium on this subject held by the government in June 2007 as part of Germany's Council Presidency, including a feasibility study, until now no steps of any gender budgeting implementation within the federal budget are made." However, the state of Berlin and the cities of Munich, Cologne and Freiburg have established implementation processes within their budgets.

The UN CEDAW Committee sharply criticised the current Federal Government's approach to equality policy. The sixth periodic report of Germany was considered at the meeting with the CEDAW Committee held on 2 February 2009 in Geneva. The Committee members asked detailed questions about the women's situation with regard to gender equality to which the Federal Government's delegation did not always give satisfying answers. In its Concluding Observations published in February 2009, the Committee expressed concerns on the ongoing equality policy. It notably regretted that the difficulties which the Federal Government was facing in implementing its gender mainstreaming policy resulted in a shift from its gender mainstreaming concept and that, despite of the declaration of intent on gender budgeting in 2004 and 2007, no steps had been taken for its implementation in the federal budget.. In particular, the Committee was concerned that the working structure coordinating the implementation of the gender mainstreaming policy across ministries has been dismantled.

Gender mainstreaming has been developed with a different emphasis within the individual Länder. Berlin is one of the most active Länder as it developed a gender mainstreaming policy and infrastructure with a high political priority. In Berlin, a separate institutional structure to develop and implement gender mainstreaming policies in the public sector was set up. Persons responsible for GM in the different departments of the public sector have a lower legal status than equal opportunity commissioners. Sometimes GM and equal opportunity commissioners work together, but sometimes they do not cooperate, and regard themselves as

independent actors in the field of gender equality. The relation between equal opportunity policy and GM strategies is not always easy and clear.

The EU Commission declared 2007 the year for equal opportunities. The Federal Ministry for Family, Seniors, Women and Youth has founded a national secretary to establish the goals of the European Commission which are in place to combat many discriminations as well as to disseminate the idea that diversity is a positive value and equal opportunities should be promoted for all. The Federal Ministry estimates that the year of equal opportunities may help to have a new look on gender equality in Germany from a European perspective. They expect new and innovative incentives for the policies involved in gender equality.

"The Federal Ministry for Family Affairs controls the application of this strategy, for which the term "gender mainstreaming" has been established in Europe, within the federal administration and provides the necessary stimulus. Adoption of the English term has sometimes given rise to resistance, which has prevented sustained establishment of the concern. A reorientation of the gender mainstreaming idea should shape equality policy more attractively as a preventative process and convert it into a real success strategy. This conceptual reorientation should - not least in the course of the German EU presidency 2007 - incorporate the requirements for success and strategies of other countries, especially the Nordic countries, and allow recognisable successes in Germany." (homepage of the Ministry) – nice words, good to read!

1.6 Summary and conclusions

Germany has made some progress in gender equality during the last decade and has established an infrastructure for GM. However, initial efforts have been given up by the current Federal Government. The new orientation announced by the Federal Ministry for Family Affairs, Senior Citizens, Women and Youth is not visible and gender equality policy seems to regress or at least has come to a halt. The Federal Government has also pronounced strategic goals (without an action plan) but the central problems have remained untouched and, in some policy areas, politics has had a negative impact on gender equality. The major efforts of the actual government are focussed on family policy and this may help to develop a more modern approach to reconciliation policies.

2. Analysing employment policy

General aims of the government

"It is the objective of the Federal Ministry for Family Affairs to ensure that men and women can pursue equally socially secure work which also secures their existence. This involves equal participation of women and men in the job market, whether employed or self-employed. This includes raising female labour force participation in accordance with European guidelines by 2010 to over 60 percent, and realising the principle of "equal pay for equal work and work of equal value" - for the entry-level salaries of well-qualified young women or mothers who return to work. Men and women, fathers and mothers must receive equal career opportunities and equal access to management positions in industry, science and research. For this, it is necessary, amongst other things, to improve general conditions for trainees, students, career entrants and for young people in further education with children.

The agreement between the federal government and top federations of German industry to promote equal opportunities for women and men in private companies is regularly reviewed. This occurred most recently in February 2006. It offers a platform for further development of joint strategies.

The federal government also pays special attention to the situation of unemployed women and men.

Gender-specific effects of job market reforms must be highlighted and gender-specific disadvantages must be taken up. Promotional instruments such as consultancy, agency or professional training and further training must adequately assist all women even if they have been long unemployed or do not receive benefits." (homepage of the Ministry)

2.1 Active labour market policy

Major steps in labour market reform have been implemented over the last three years. The thrust of reform focused on reducing unemployment-related benefits to force people to accept employment, and better activation strategies for the unemployed. Policies comprised: organisational reform of the Federal Labour Office; the introduction of new active labour market measures like subsidies for self-employment, new job subsidies etc.; the introduction of tax preferences (exemption from social security contributions) for small jobs with only a few hours worked

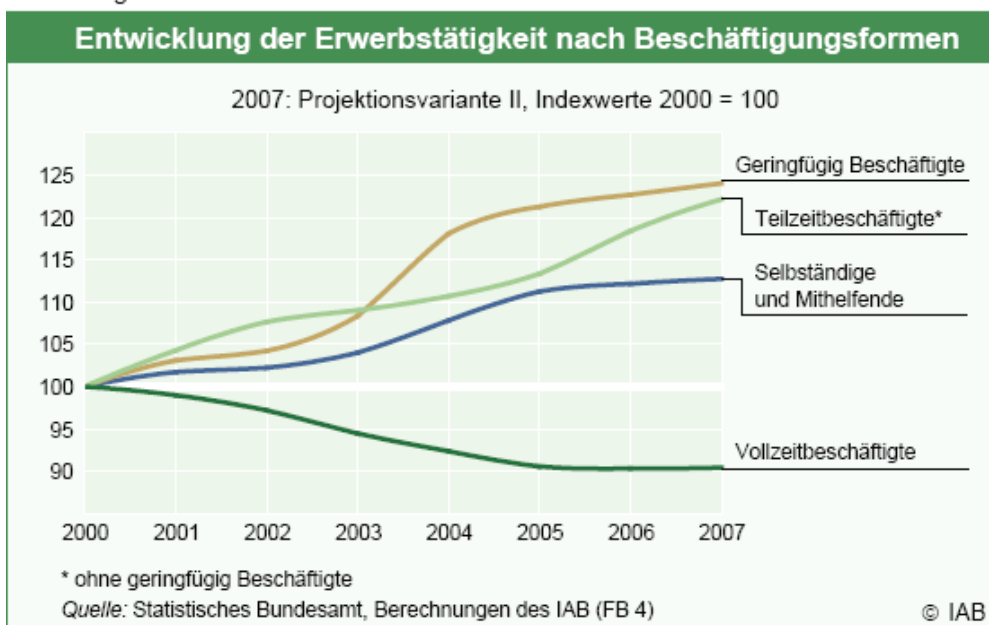
(called "mini jobs", paying up to € 400 per month, with workers being exempted from the obligation to pay social security charges and with reduced income tax rates. The subsidies for social contributions are gradually phased out over a range of incomes up to € 800 "midi jobs"); deregulation of fixed term and temporary employment contracts; and an easing of dismissal protection. At the beginning of 2005 a new income replacement scheme for the long-term unemployed was introduced replacing former unemployment assistance and social assistance benefits called ALG II. These reforms are sometimes called "Hartz" reforms as the head of the expert group, who helped to develop the policy was Peter Hartz - a member of VW's managing board at the time.

2.2 Overview of recent developments

Labour market developments over the last few years until 2006 are characterised by the following point: we observed a general decline in overall employment, accompanied by a structural change in the employment status of persons in the labour force in terms of decline of full-time employment as a dependant employee, increase in part-time, especially marginal part-time, increase in self-employment.

Employment structure changes during the last years as is shown by the following graph:

Abbildung 2



Source: Bach et al. 2007, p. 4

As a result of the better economic performance in the last months, the Federal Labour Office determined a clear growth in employment covered by social security in June 2006. In sum, 11.9 million women or 0.3% were employed over a year ago. The employment of men rose to 14.4 million or plus 1.0%. However, at the same time the number of women working full time declined, which was overcompensated by the growth of part-time employment. It is obvious that men benefit more from the current economic recovery than women, which must, however, be interpreted by the fact that men's employment rates had decreased more sharply than women's during the economic downturn in previous years.

The Hartz reforms aimed at activating both short- and long- term unemployed reforming the Public Employment Service and the institutional repertoire of active schemes. Recent employment growth, however, is not a result of these reforms. The aim of the Hartz reforms was to lower unemployment and save costs. To achieve this goal, the reform aimed to accelerate job placement and to introduce a more coherent activation of the unemployed called "rights and duties". They shifted priority towards active measures that require proactive behaviour of the unemployed. The reform re-designed integration subsidies, introduced new forms of wage subsidies, start-up subsidies and jobs with reduced social security contributions. The maximum duration of ALG I was cut from 26 to 12 months and from 32 to 18 months for unemployed aged 55 and above. When recipients of ALG I had not found a new job after this period, they could change to ALG II. This mainly applied to job seekers over 45 years old.

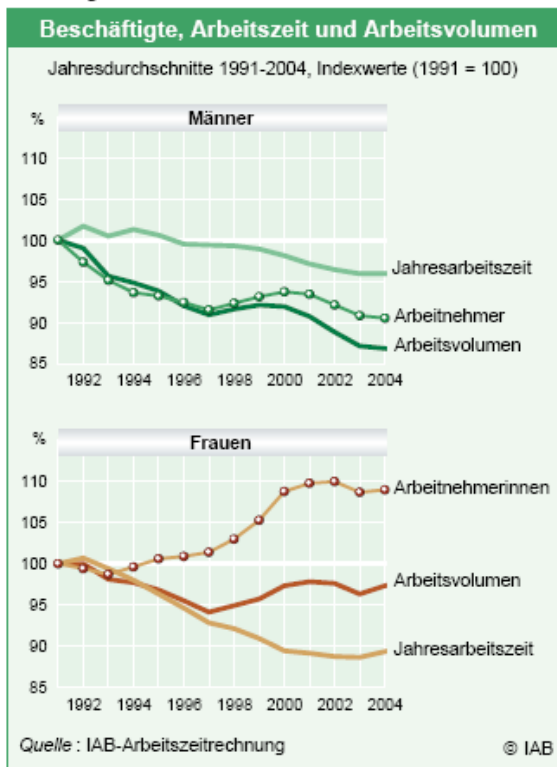
With the fourth Hartz Act (Hartz IV) starting in January 2005, unemployment assistance and social assistance were replaced by a single means-tested replacement scheme for persons in need and able to work (ALG II) not entitled to unemployment insurance benefit or after expiration of this contribution-based benefit (ALG I). Besides ALG II, the new basic income scheme provides social allowance (Sozialgeld) to persons who live together with needy persons capable of working in a joint household (a so-called Bedarfsgemeinschaft). This shift in the paradigm of labour market policies causes numerous effects. It is a major challenge of future research to analyse these effects in more detail.

2.3 Effects on gender equality

Observing the labour market developments during the last few years has shown that women and men's employment trends are different. Compared to the number

of men, the number of women in employment has increased during the last decade. The overall volume of working hours decreased quite substantially for men but remained almost stable for women, although the average annual working time per capita decreased for both men and women. The latter is due to the increase in part-time work for women. The proportion of women in employment has generally increased in all age groups, but the volume of women's working time has remained the same. The overall increase in women's employment is not accompanied by an overall increase in women's working time, which, points to the strong increase in part-time employment in the 1990s (Wanger 2005).

Abbildung 2



Source: Wanger 2005, S. 4

Nevertheless, the German Government refers to the Lisbon targets and claims to have nearly reached them. The government states that increases in women's employment are closely related to part-time employment and employment not covered by social security (self employment and mini-jobs) however the proportion of full-time employed women is declining.

Aiming at reducing the threshold for jobseekers in introducing flexible employment the Hartz reforms promoted the increase of discontinuous employment. Fixed term employment, the easing of dismissal protection regulations and the promotion of

temporary employment were a step towards a more flexible labour market. In particular, new regulations on mini-jobs released a substantial increase of marginal part-time employment concerning women as the main participants of mini-jobbers: Two thirds of all mini jobs were obtained by women (s. chapter 5). Consequently, the proportion of employed persons without sufficient social security protection and who are dependent on the basic income scheme for needy jobseekers (ALG II) in case of unemployment or retirement, has also been increasing. As higher proportions of women participate in the mini-job scheme compared to men, women are more concerned by these developments.

Increasing rates of fixed-term employment, more relaxed rules for employers to lay off people, and the move towards labour subcontracting firms has led to an increase in erratic employment. These changes were justified with the hope that greater flexibility would also reduce barriers to entry into the labour market. However, we have not seen an increase in employment due to these reforms. The recent fall in unemployment in Germany is primarily due to the economic upswing in the business cycle, but structural unemployment is also beginning to fall (European Commission 2007, p.).

The concept of personal service agencies, which are responsible to make unemployed persons available to the labour market by subcontracting them, has failed.

The introduction of the mini job scheme has led to an increase in low paid employment. The employed persons in this segment are not entitled to the regular social security benefits and they depend on welfare schemes in case of unemployment or retirement. In addition, the social security system loses contributions. Since the maximum cap of 15 working hours per week in the mini job schemes does not longer apply the hourly wages of mini jobs decreased dramatically. About 90% of all mini-jobs do have a hourly wage below the low-wage threshold of 60% of the median wage (see for details Kalina/Weinkopf 2008). Finally, there are some indications that mini jobs will be substituting for regular jobs, which are subject to the social security system.

As the Hartz reforms are a structural change of the unemployment and social benefit system, they consequently have impacts on gender equality. A gender specific analysis of the impact of labour market reforms is expected at the end of 2009.

The introduction of a basic income scheme (ALG II) substitutes for the welfare scheme which was based on upholding a predefined standard of living based on a means-testing procedure. In the majority of cases, this switch leads to a reduction of financial support to people falling under the new scheme. (Becker/Hauser 2006)

ALG II is calculated in a means-testing procedure up to a maximum amount that is supposed to cover all living expenses. From 1 July 2006, this amount has been fixed at a standard rate of 345 € throughout the federal territory (in July 2009 the actual amount was 351 €). ALG II is lower than the social assistance benefit in many individual and household cases. Simulation studies on distribution effects of Hartz IV shows that 60 % of all persons living together with a beneficiary of former wage-related unemployment assistance lost financial support with Hartz IV. One quarter lost its benefit entitlement. On average the household income of losing groups based on Hartz IV decreased by 20%. We can explain this development by a tightened assessment of the partners' income in "Bedarfsgemeinschaften", particularly affecting unemployed women. On the other hand, 40% of the household members dependent on ALG II are winners with an increase of household income between 18 – 30%. In this group we find single mothers doing better in the new system as well as people who previously lived in hidden poverty. (Becker/Hauser 2006)

In early 2005, the peak in registered unemployment was over five million people and this was largely due to a combination of seasonal effects and the changing statistical classifications for former social assistance recipients and their partners who were registered as unemployed for the first time after Hartz IV came into force. In contrast to other EU member states, Germany significantly extended the definition of employability and thus the potential workforce rather than "hiding" a sensitive proportion of the latter in disability schemes or social assistance. This explains the steep increase in unemployment by approximately 400,000 in January 2005. In that sense, Hartz IV contributed to more open unemployment by highlighting that former social assistance recipients were capable of working. In this group we find a large number of West German women, married or living in partnership and formerly outside the workforce, without being registered as unemployed. Those women now had to register as job seekers and accept jobs offered by the employment service, including so-called 1 Euro jobs.

Furthermore, the Government announced that it intends to take new initiatives to create a low paying employment sector. This sector is already expanding under the

existing legislation, and there is an ongoing debate whether we need a further increase in these jobs or a new regulation like Kombi-Lohn (people combine benefits on top of low wages) or the introduction of a general minimum wage covering all sectors and occupations. The ongoing debate is highly controversial and the gender aspects are often ignored. Low wages are more widespread in female dominated occupations such as hairdressing but they also expand in male occupations such as security services for example. Low wages in female dominated occupations are seen by some researchers as not so dramatic as women as second earners do not "need" a good wage. This interpretation of low wages was expressed by a study of the German Institute for Economics Policy DIW. The study came to the conclusion that a minimum wage would only benefit second earners (see Brenke/Eichhorst 2007). The increase of low wage employment in male dominated occupations is mobilizing trade unions and employers organisations, as its increase is often in sectors which are not covered by collective agreements and it affects the regulation of wages by social partners.

The already growing low wage sector led to a new group of employees: people in employment who do not receive a wage sufficient for living so that they have the right to claim for the basic income scheme. Or people receiving basic income scheme find jobs with a wage below the thresholds of the basic income scheme. These people are called "Aufstocker" and their number increased since 2005 up to around 1 million in 2008. Some of these Aufstocker are women, especially lone parents (see Dietz et al. 2009). One can say that the combination of basic income and employment created a form of a Kombi-Lohn, although not primarily intended in this form.

2.4 State of affairs with regard to gender mainstreaming

Active labour market policy is engaged to the principles of gender mainstreaming. We find efforts in implementing gender mainstreaming mainly in the organisational reform of the Federal Labour Office (BA). In 1998, it was decided to promote equal opportunities between women and men as permanent guideline of labour policy. Implementing gender mainstreaming began accordingly. In course of the reform of the labour office, the strategy was taken to integrate gender mainstreaming and diversity into the day-to-day operation of the labour office. However, the idea of gender mainstreaming has to be implemented by the regional offices, and there are differences with regard to that process. In all regional offices, however, the position

of the Gleichstellungsbeauftragte was changed towards equal opportunities commissioners on labour market. In 2005 the equal opportunities commissioners on labour market (Beauftragte für Chancengleichheit am Arbeitsmarkt BCA) were charged with new profiles and activities and diversity concepts were promoted. In November 2005 an overall concept for realising equal opportunities on the labour market was finally introduced. One of its main focuses was to provide information for persons receiving no financial support, especially the groups which wish to return to work after a period of family care. Another important task has been consultation with employers (Wenner 2007). The approach also focuses on gender-related research and evaluation on labour market policy. In July 2006 the BA published its first report on the situation of women and men in the labour and training market followed by monthly analytic reports on women and men since February 2007 (BA 2007). Starting in 2007, there will be annual gender reports from all regional offices.

Another field of action is women's participation in labour market programmes according to their rates of unemployment. The reforms in labour market programmes and organisation of the last three years are not yet fully evaluated; in general women's proportion in labour market programmes is dependent on their proportion in unemployment but as the overall level of participants has declined over the last three years the impact is not great. Within the given programmes the Ich AG (programme promoting self-employment) and further training have had quite high proportions of women. By the end of the year more detailed evaluations of the different aspects of the labour market reform will be presented, which should include a gender related analysis. For 2008, a gender report and a report related to migrants in the labour market reforms has been announced.

Labour market programmes conducted under the SGB III schemes, that means for people receiving the unemployment benefits, should follow the principle of equal opportunities, there is the legal regulation that all measures and programmes should help to increase women's position on the labour market. However, all unemployed under the SGB II, receiving the basic income scheme, are not included in this policy approach and a whole series of research shows that women, especially with small children and lone parents are not integrated in active labour market programmes in a satisfying proportion (see Betzelt 2008 and Betzelt u.a. 2009).

Actual own calculations based on the data given by the Federal Employment agency (BA 2009) show that women's overall proportion in labour market programmes

decreased within one year from 55% in May 2008 to 39% in May 2009. In programmes related to *training* 44% of the participants are women (before 47%), in *employment incentives* programmes women's proportion is stable at 39%, in *supported employment and rehabilitation* it is around 41%, in *direct job creation* 41% ((in May 2008 42%), in *start-up incentives* it is 38% (May 2008 41%). In 2008 as many men as women received *income maintenance* both unemployment benefits and the lower basic income support. In 2008 17% of the men received the unemployment benefits, and only 14 % of the women, the vast majority both of men (83%) and women (86%) received the basic income support, This is the result of one of the major and highly controversial changes of Germany's income maintenance system put into practice in 2005.

2.5 Summary and conclusions

When the Government started its labour market reforms, which had been strongly supported by international organisations like the OECD, the possible impact of different parts of the reform on women's situation had been foreseeable.

Gender experts, both from women's organisations and research institutions, had always argued that the new basic income scheme constructs the household and not the individual as the benefit receiver, resulting in married and cohabiting women without independent benefits. It was predicted that this will affect women in East Germany more than women in West Germany. The legal regulations concerning the construction of individuals' right to benefits are therefore one step backwards. On the other hand, the inclusion of lone mothers in labour market programmes is a step forward.

The situation of female returners after longer periods of child care is problematic as their right to participate in labour market programmes is weaker than ever.

The Government was forced to evaluate the gender impact of the labour market reforms by a broad and highly sceptical political audience. We expect the report in 2009 but meanwhile the reports of the BA and its Institute for Labour Research IAB support the notion that the reforms did not improve women's position in the labour market and in labour market policy programmes.

3. Pay and career policy

3.1 Introduction

In Germany, the government does not play a role in either wage setting policy or in career policy outside the public sector. Every year, on the 8th of March, the public debate focuses on the substantial gender pay gap in Germany¹ but neither the social partners in their wage policies nor the public policy itself is strongly committed to improving the gender wage gap, by moving towards minimum wages or other related initiatives. The debate on women's labour market participation deplores the lack of women in leading positions. There are small programmes to support women, e.g. by mentoring networks. However, these are tailored for women in top positions who tend to have no children. There should be an effective policy to reconcile work and family in order to allow women with children to move into higher positions.

In the next section, some of the major developments in the economic framework conditions plus major policy changes which have taken place are briefly presented. The effects of these developments on gender equality are described in section 3.3. Section 3.4 discusses the state of affairs in gender mainstreaming with regard to pay and career policy and develops a perspective of the gender pay gap.

¹ On 7 March 2007, the parliamentary groups of CDU/CSU and SPD in the Bundestag proposed a motion entitled "Promoting equal opportunities of women in the labour market". The motion accurately describes the current labour market deficiencies for women in Germany, significant pay gaps, job segregation, the irritatingly low number of women in leading positions in the private sector, as well as deficiencies in introducing more family friendly working conditions and child care facilities. Members of Parliament demand the realisation of equal opportunities policies that strengthen gender equality in the labour market and its respect in future labour market reforms. The motion does not include specific and clear steps to develop a policy towards equal opportunities. (Bundesdrucksache 16/4558, 7.03.2007)

3.2 Overview of recent developments

West German nominal wages increased very slowly and real wages decreased over the last two years. As a general trend we observe growing wage differentials between high and low paid jobs, i.e. the wage structures in Germany are developing towards greater inequality.

In Germany the majority of employees are paid according to collective bargaining agreements although the coverage is declining. Most are sectoral agreements; firm-specific agreements only cover a small number of employees. Firms which are not covered by an agreement may follow the respective collective agreement voluntarily. In 2003, 14 % of all employees in West Germany and 22 % of all employees in East Germany were not covered by any collective agreement (Ziegler 2005, p. 254).

As collective agreements still have a major influence on German wage system, the position of trade unions and employer's organisations towards the principle of equal payment plays an important role in the development of the wage system. The major development in this field has been the new collective bargaining agreements in the metal industry and the public sector. The job grading system for both the metal industry by IG Metall as well as for the public sector by VerDi introduced new job evaluation and grading mechanisms and abandoned the disposition of a separate grading of workers and employees. These major reforms of collective agreements started with the hope that less gender biased job evaluation and description would improve women's position in work place related remuneration.

Since 1980, there have been no major changes in equal pay legislation. The concept of "equal pay for work of equal value" changed the perspective from direct to indirect pay discrimination. In the late 1990s, broader discussions on the relevance of EU legislation on equal pay for the composition of collective pay agreements began. However institutionalised mechanisms to implement the principle of equal pay are still missing in Germany.

Career policy plays a main role in the debate on the reconciliation of work and family.

3.3 Effects on gender equality

Various studies deal with the effect of these developments on the wage gap in Germany. Even though the studies show some differences, all the data clearly indicate a significant wage gap. It is substantial as well as persistent and can be estimated to be at least 23 to 25%. According to data based on ECHC, Germany is one of five countries where the gender pay gap seems to have increased between 1999 and 2004. In general, it is more pronounced in West Germany and less prevailing in East Germany, even though there is a clear tendency for convergence.

Table 1: Relation of women’s gross wages to men’s in % for different labour market segments in Germany

	1991	2004	2005
Salaried employees, West Germany	65.1	71.2	71.6
Salaried employees, East Germany	77.5	77.4	78.1
Workers, West Germany	73.3	76.3	74.6
Workers, East Germany	78.9	78.4	77.9

Source: data from Ziegler 2005 and German Statistical Office

Vertical wage gaps are a key to understanding the high overall gender pay gap in Germany. The high proportion of women among the low paid segment contributes substantially to the overall gender wage gap. Around 70% of all low paid employees are women. This gender gap is also highlighted by another trend: Only 12% of the employed women are higher paid employees and civil servants whereas 22% of all men are in this group (BMFSFJ 2005). Thus, the growing wage differential between lower and higher wage segments particularly affects women and works towards increasing the overall gender wage gap. Mini-jobs (see chapter 2) are often not included in the data sources therefore the effect on the wage gap may even be higher than reported by the numbers quoted above.

The Federal Statistical Office published an analysis on low incomes and employment in August 2009. The survey is based on the German micro census and wage structure survey of 2008. It confirms the structural changes in the labour force by a considerable increase of the share of atypical employees (= dependent part-time employment, marginal part time employment (*mini job*), temporary work (*Leiharbeit*) and fixed term contracts) and self-employment at overall employment.

In 2008, 34.4% of all female employees were employed atypically (men: 12%). The structural changes go hand in hand with an ongoing expansion of the low income and low wage sector. The survey shows that atypical employees on average earn less per hour than regular dependent employees. Nearly the half (49.2%) of all atypical employees derived a gross hourly wage (9.85 Euro in 2006) below the low wage threshold (= two thirds of the median income). Above all marginal part time employees received wages below the low wage threshold in 2006. Furthermore, the study also shows that regular dependent employees receive low wages as well (16.7% of all women but only 7.7 % of all men). The share of low wage earners is not only depending on the employment type but also of the economic sector. As a general rule: atypical employees earn considerably less than regular dependent employees whatever economic sector they are employed (Statistisches Bundesamt 2009).

There is a growing proportion of women who are graduates and have less children; this increases the number of women moving into the higher wage segment thus preventing an overall growing wage gap. However, in general, we find a smaller gender wage gap in the lower paid segments of the labour market than in higher paid positions (Holst 2003). This limits the decreasing effect on the wage gap of women moving into higher paid segments. However, we also see a second trend that this difference is becoming smaller (see Table 1). However, there is little data for the top wage segment in the German economy. Thus, it is difficult to evaluate the extent of the gender wage gap in this segment although recently published studies show that we observe a glass ceilings effect in managerial positions in Germany (Holst/Busch 2009).

A number of studies indicate that the German gender wage gap - in addition to occupational segregation in the vertical and horizontal level - seems to be connected to work place related remuneration as well. Pay scales, classification systems and job evaluation procedures all play an important role for the wage gap. The major changes in job evaluation and grading systems, brought about with the new collective agreements in the metal industry and the public sector, did not improve the pay gap problem substantially. Nevertheless, in firms with signed collective agreements and with work councils, women's wages improve. Thus, the decline in numbers of employees covered by collective agreements may have a negative impact on gender wage equality as well as a general increase of wage inequality in the society as a whole (see Maier 2008).

To help both employed men and women, firms' management and workers representatives (work councils) to identify what the factors are which contribute to the firms' gender wage gap, the German government (Ministry for Family, Senior Citizens, Women and Youth) provides a new instrument to measure the gender wage gap on the firm level. This instrument is called *LOGIB-D*, and it is an Excel based programme which calculates regressions on base of the data on each single employee. There are two different regressions calculated: one calculates the wage gap which is due to human capital factors like general education, vocational training, and length of employment in the same job and in the same firm. The second takes into account the differences in hierarchical positions and in occupational skill requirements. The unexplained "rest" is calculated as well. The Ministry offers this instrument via its website and some firms do participate in a voluntary experimental phase to test the instrument.

3.4 State of affairs with regard to gender mainstreaming

The Government does not feel responsible in regard to implementing its own legal obligation with respect to equal pay and closing the gender wage gap. The official documents do not mention any ideas or programmes or initiatives related to the problem. The former Government had at least organized a conference on the subject and promoted several studies both on wage inequality and job evaluation aspects (BMFSFJ 2002).

The Confederation of German Employers' Association (Bundesvereinigung der Arbeitgeberverbände BDA) states that direct gender discrimination no longer exists in Germany. According to the Association existing pay differences between men and women can be explained by different gender-specific job biographies. The BDA also rejects all binding regulations on gender equality and consequently on equal pay. The idea of a law on equal opportunities in the private sector proposed by the government was not accepted. The BDA instead preferred to sign a bilateral agreement with the government on the subject of equal opportunities for men and women, which explicitly excludes pay and wages.

Trade unions play a major role in defending pay equality. There have always been cases in which trade unions supported claims from individual employees with regard to all pay components. The development of guidelines for discrimination-free description and evaluation of jobs released a debate in the trade unions for the metal and the public sector. This was regarding the question of whether collective

agreements accomplished the demands of EU legislation. This debate is still ongoing and has shown no positive effects until today (Ziegler 2005, p. 297).

There were many trade unions, which had performed a legal check of their collective bargaining agreements, with regard to gender discrimination. However, this did not improve the pay gap problem substantially. During the process of implementation of these collective agreements the gender mainstreaming approach disappeared silently. As social partners are reluctant in following a gender mainstreaming approach in their wage policies, especially in collective agreements, we may observe a further increase in the gender pay gap.

The CEDAW Committee concluded in its observations that the German government had to take proactive concrete measures to narrow and close the wage gap between women and men. It called upon the government to ensure that non-discriminatory job evaluations systems were put in place and implemented. Furthermore the Committee advised to enact an Equality Act for the private sector with the establishment of a gender-based definition of pay in wage agreements and company pay structures or to amend the General Equal Treatment Act to that effect. (CEDAW Committee (2009), Concluding Observations)

Minimum wages could be one appropriate instrument to avoid wide spread low wages. And it was women's wages which would be covered by a minimum wage to a larger extend than men's wages. But in Germany there is still a controversial discussion on this issue. Although the German Posting Act (*Arbeitnehmerentsendegesetz*) allows for the introduction of minimum wages only few collective agreements contain regulations. In August 2009 about 1.8 million employees are eligible for a minimum wage based on the Posting Act. This concerns building cleaners, postmen and -women, roofers, painters and lacquerers, as well as employees of the building and construction industry and electrician trade. In other words: minimum wages were predominately introduced in male dominated sectors.

A study of the DIW Berlin found that a minimum wage would affect jobs mainly occupied by "second earners". It came to the conclusion that Germany should not introduce a minimum wage as second earners do not contribute substantially to the overall income of the household (Brenke/Eichhorst 2007).

3.5 Summary and conclusions

Germany has a significant gender wage gap, which did not disappear during the last decade, but remained fairly stable or even increased. Given the rising level of human capital, the wage gap would even be higher if women had not increased their skill levels.

The factors explaining the gender wage gap are multifaceted, but can be concentrated in some major key issues:

- Women's distribution over sectors, occupations and firms (size) influence the wage gap quite substantially, whereas factors such as age, education and employment experience still play a role but are less pronounced
- In terms of the level of occupations, the firm specific strategy of job classification and job allocation to men and women seems to play an important role and needs further investigation
- Job evaluation and grading systems are not gender neutral; efforts to implement less gender biased systems within the very important collective agreements in the metal- and the public sector have not been very successful. Other major actors within other sectors do not even follow suit to these efforts.
- The declining role of collective agreements, the weaker position of work councils and women's predominant employment in small firms of the service sector may increase wage differentials as well as the high proportion of women in low paid employment
- There is a lack of any strategy that implements the right to equal pay for work of equal value as neither the Government nor the social partners are acting on behalf of this right and obligation. The statement of the ministry "and realising the principle of 'equal pay for equal work and work of equal value' for the entry-level salaries of well-qualified young women or mothers who return to work" sounds not very convincing.

To sum up, there are contradictory trends in the development of the wage gap: First, the number of women with better educational backgrounds, less children and shorter periods of employment interruptions is increasing. Thus, the potential of women employed in the high wage segment tends to increase. Second, women are

confronted with a labour market characterised by growing wage differentials, less collectively agreed wages and wage components, limited job career prospects and high unemployment, combined with an overall pressure on the wages. A substantial proportion of the workforce affected by these trends are women. Thus, there is a trend towards increasing the overall wage gap and policies to soften this mechanism (e.g. minimum wage legislation) have not yet been introduced. Third, the changes in the major collective agreements did not help close the wage gap, and new policy initiatives by the social partners are needed.

4. Life cycle and reconciliation policy

4.1 Introduction

Germany has changed reconciliation policy and pension's policy. Due to the fact that there is a demographic problem emerging, i.e. low fertility rates accompanied by high rates of very old people, the prospects for the labour market and social security systems are not very positive: smaller numbers of young people will enter the labour market, therefore a smaller number of tax- and social security contribution payers might occur. Highly skilled women are a major source of labour supply, but as child care and employment are difficult to reconcile, the opportunities for them to enter the labour market in gainful employment are poor. Changes in policy aim to increase the fertility rate, to ease reconciliation of work and child care and to increase labour force participation rates of older people to keep them on the tax and social security paying side of the bill.

4.2 Overview of recent developments

4.2.1 Child care facilities

Reconciliation policy is important for increasing the proportion of women in the labour market. In January 2007, a new income replacement scheme (*Elterngeld*) was set up, replacing two thirds of previous earnings after childbirth for the period of one year. This supersedes the present income replacement scheme (*Erziehungsgeld*), which provides flat benefits for up to two years after childbirth, subject to an earnings ceiling. The new *Elterngeld* represents a change in the paradigm of German family policy as it recognizes that mothers are "employed" persons who need an income replacement during the period of child care. However, in comparison with the former *Erziehungsgeld*, the period of entitlement has been

reduced from two years to one year as a reaction to the critique that the withdrawal from the labour market had been rather long. *Elterngeld* is paid for two additional months in cases where the father also takes leave, prolonging the entitlement period to a maximum of 14 months.

The *Elterngeld* has been criticized from two perspectives; firstly by conservatives who believe this constitutes a change in family policy away from the caring mother towards the working mother; secondly by researchers and feminists who point to the fact that the new regulation makes parents and the unemployed poorer as they now receive the benefits for a maximum of 12 months (14 months if the other partner takes 2 months) whereas the *Erziehungsgeld* was paid for 24 months. The latter point emphasises that after one year it is difficult to return to employment as there is a lack of child care for this age group.

The possible impact on the employment of women is uncertain. A recent OECD paper concludes: "The impact of the new income replacement scheme (*Elterngeld*) on labour supply is ambiguous. For families with lower incomes, the scheme would improve incentives to expand labour supply beyond the present earnings threshold as it cuts the very high marginal implicit taxation of additional earnings at the threshold and shortens the maximal eligibility period by 50%. On the other hand, the high rate of envisaged income replacement would provide incentives to reduce labour supply for highly qualified persons with earnings in the upper tail of the earnings distribution who do not consider the lower income replacement by the present scheme as a relevant option"².

In October 2008 the first report on the impact of the parental allowance was published (BMFSFJ 2008) and proves very positive reactions to its introduction. Around one thirds of the fathers took parental leave and the *Elterngeld*, which is seen as a big step forward. As the provision of child care services still is inadequately – above all in West Germany – we can assume that even though

² See Wurzel, E. (2006), *Labour Market Reform in Germany: How to Improve Effectiveness?* Economics Department Working Papers No. 512, OECD, Paris, ECO/WKP (2006)40, paragraph 11

Elterngeld provides an incentive to return earlier missing day care places are an obstruction.

The lack of child care facilities is a major problem in Germany that is not yet been solved. As in West Germany, the number of child care facilities for children aged 1 to 3 years old is very small. A large proportion of mothers will not be able to return to employment after one year and therefore will stay at home without any financial benefits. Already in 2003 the Federal Government's Agenda 2010 scheduled the increase of the number of child care places for children under 3 years of age. The target was to provide facilities for 20% of young children in every federal state. The child care facilities creation law of 2004 (Tagesbetreuungsausbaugesetz TAG) assumed the need for additional 230.000 places. But until today it has been difficult to increase the number of places as the local authorities are responsible for their creation and the financing of this is not clear. Hence the law's target has not been reached.

Consequently, there are important regional differences between the Länder and the municipalities in terms of places available. A report of the Federal Government comes to the conclusion that there have been more child care places in the last few years. 7.7% of children under 3 years of age have found a place in 2005 compared to 3.9% in 2003. In East Germany the situation is even better. The GDR followed a policy of the "working mother" which aimed to integrate women into employment. It developed child care services to include all children over the age of 1 and on a full-time basis. The East German facilities are still covering a great part of the demand with places for 37 % of the children in 2005.

Originally, it was planned to establish about 230.000 new places at child care facilities for children under 3 until 2010. This number has been revised in 2007. Now the total number of places should cover the demand of 35% of all children under 3 until 2013 – which are altogether about 750.000 places for children under 3 in 2013. Moreover, the legal entitlement for a place in a child care facility which exists since 1996 for all 3 year old children until compulsory school age will be amplified in 2013.

The Federal Minister for Family Affairs, Senior Citizens, Women and Youth, Ursula von der Leyen (CDU) has been aware of this problem and therefore aims to triple child care places by 2013. She aims to reach the European wide standard of places for 30 % to 40 % of all children in this age group. However, she has not presented

a financing plan for her proposition which has been criticised. The Social Democratic Party immediately supported the present Minister's plans and presented its own financing project which provides the shifting of family benefits. The former Federal Minister for Family Affairs, Senior Citizens, Women and Youth, Renate Schmidt (SPD), was committed to a more family-friendly policy in companies and had created the Alliance for Families – a network project that the German EU-Presidency tries now to connect to other EU-countries. The fact that the conservative Federal Minister pronounced her very ambitious project has produced a heated debate both within the Christ Democratic Party and in society as a whole; this questions the relevance of the traditional family model in relation to modern working mothers. This is a highly ideological debate between conservative advocates of the traditional mother image, depicting working mothers as uncaring mothers ("Rabenmütter"), and supporters of working or career women. As a whole, the debate has been totally focussed on family policy and the increase of birth rates, neglecting the real needs of young parents who aim at a reconciliation of parenthood and professional career. Aspects of gender equality or gender related issues have hardly played a role in this debate and have only marginally been discussed once the "father months" of the Elterngeld had been introduced.

Another problem is the quality of child care facilities in Germany. The skill-level of employees in crèches and kindergartens is relatively low compared to other European countries. Most employees (96% are women) have only three years vocational school-based training as governess ("Erzieherin"). The low skill level is accompanied with a low salary both in publicly run institutions and in institutions run by charity organisations, churches and other non-profit organisations or firms. This originates from an old tradition, at least in West Germany, where child care was defined as a private affair and the responsibility of the family.

The parental leave regulation, covering leave of three years, remains in force, i.e. parents may remain in employment but for the time of their leave receive neither wages nor benefits. Other new regulations on Elterngeld influence mothers' labour market integration (cf. chapter 5). Policies designed to improve the compatibility of child care and labour force participation of spouses rank higher now on the policy agenda, given that birth rates in Germany are very low, averaging 1.3 children per female. To address this issue, the government has tabled legislation which substantially increases the ceiling up to which child minding expenses are deductible from the income tax bill. Also, the new regime widens eligibility to

couples with a single working spouse – although at less favourable conditions than for working couples – while at present tax concessions are only granted to families with two working spouses and single parents.

Empirical work suggests that fixed costs of work, both monetary (notably fees for child care facilities) and non-monetary (such as commuting times) can be an important impediment to parents' labour force participation. As fixed costs of work are higher for the second working spouse, and in view of the budgetary constraints to be observed, financial support for child minding outlays should be more focused on families where both spouses are working. Child care facilities are also likely to be better suited for providing some degree of formal education to children than personal child minders, who are normally lacking the relevant training. In Germany, the supply of kindergarten places falls significantly short of demand. Moreover, opportunities for full-day schooling need to be extended. The government announced steps into this direction.

4.2.2 Increase of retirement age

Other forms of life cycle policies concentrate on older workers, aiming at activation, labour market participation and lifting the age of retirement. Since the second half of the 1990s channels into effective early retirement outside the pension scheme have gained importance. The main channels utilised for withdrawal from the labour force prior to retirement are extended periods of unemployment insurance benefits for older unemployed and a subsidised part-time employment scheme for older employees (*Altersteilzeit*, ATZ). The former allowed unemployed workers aged 58 and older to receive unemployment insurance benefits for up to 32 months without obligation to search for a job. In February 2006 the maximum eligibility period for the new unemployed in this age group was cut down to 18 months. Also, extended eligibility periods for medium age groups were cut to the standard duration of 12 months. However, persons aged 58 and older had been exempted from the job search requirement only till 2008, today they are obliged to search for employment as other unemployed persons.

The ATZ scheme replaces part of earnings foregone if older employees decide to reduce full-time employment by 50%. Participants are allowed to choose how to distribute part-time employment over a maximum period of 10 years from the age of 55 onwards, subject to a collective agreement between the employer and a union and the hiring of a replacement worker. Most employees decide to work full-time in

the first half of the period and not work in the second half. Subsidies for new entries into the ATZ scheme will be terminated in January 2010. Both schemes have been used at increasing rates by employers in agreement with employees to terminate employment for workers at older age, therefore by-passing the provisions of employment protection legislation, which, in turn, shifts part of the costs of reducing the workforce from firms to the social insurance system. Once the benefits under either scheme are exhausted, they might be followed up by early retirement pensions, although these will be completely phased out by 2016.

In 2004 the number of recipients of ATZ and extended unemployment insurance benefits was almost 4 times as large as the number of participants in active labour market measures designed to foster the hiring of older employees (Eichhorst/Sproß 2005). The government has decided to increase the statutory retirement age in annual steps between 2012 and 2029 to 67 years of age. This measure, which speeds up the phased increase in the statutory retirement age that was envisaged earlier, could be an important step toward raising labour force participation of older people if the labour market opens more job opportunities. If the labour market remains tight, the increase of retirement age combined with a reduced unemployment benefits for older people will lead to growing poverty for older people, among which women are hit more dramatically than men. The employment rate of older women is very low, which is just as well because of the pension levels resulting from instable labour market integration. Some labour market programmes aim to increase employment opportunities for older workers but the results are not yet conclusive (Eichhorst/Sproß 2005).

4.3 Effects on gender equality

The new income replacement scheme does not fit with the underdeveloped child care system for children aged 1 to 3 in West Germany. This forces young mothers to remain at home after one year of *Elterngeld* if they cannot find appropriate child care facilities. Estimates show that around 40% of the mothers with children over 2 years old will take up employment, a rather small increase compared to the 36% who did that under the previous regulation (Spieß/Wrohlich 2006). The Government's initiatives to increase the number of child care places should have more positive effects on the labour market integration of women. However, previous efforts to create places showed limited success because the federal system of Germany reserves these activities to the "Länder" authorities. The Federal

Government was reflecting on a parental right for child care for all children over the age of 2 (until now: age of 3) when the local communities are not able to create such places, until 2010.

“Elterngeld” increases the incentives for fathers to take parental leave as two additional months are paid when the father takes his part of the leave, increasing the “Elterngeld” to a maximum duration of 14 months. This new regulation may encourage the acceptance of caring fathers who are still a minor group in Germany. In only 4.9 % of households in Germany men took parental leave. A third claim the financial situation of the family is the main reason for their decision not to take up this leave. A better financial arrangement during parental leave and career security could motivate more men to assume family care work. The majority of men still seem to have internalised the bread-winner model but according to recent studies, 20% of young German fathers wish to be active fathers involved in family care work (Rüling/Kassner 2007, p.67-71). First evaluations of the new Elterngeld show a slow but visible change: more than one third of the eligible fathers took at least some weeks of the two father-months, women returned faster to employment than under the previous regulation (see BMFSJ 2008, Rüling 2008).

The increase of the statutory retirement age is a way to activate older people for labour market participation. This can be a positive measure if there are sufficient job opportunities available. However, in case of unemployment the increase of retirement age combined with reduced unemployment benefits for older people will lead to growing poverty for older people. Women are likely to be hit more strongly by this as their professional biographies continue to be different from men’s. Such developments would lead to further gender inequality. In general recently retired men receive higher pensions than women but there are considerable regional differences among women.

■ Durchschnittliche Höhe der Renten nach Rentenart 2008
Am Jahresende

Rentenart	Männer		Frauen	
	Alte Länder in €	Neue Länder in €	Alte Länder in €	Neue Länder in €
Renten wegen verminderter Erwerbsfähigkeit	753	662	652	669
Altersrenten	970	1.044	473	826
darunter Altersrenten wegen/für:				
- Arbeitslosigkeit/Altersteilzeitarbeit	1.153	1.003	670	987
- Frauen	-	-	658	719
- schwerbehinderte Menschen	1.136	945	730	863
- langjährig Versicherte	1.145	1.071	516	1.045
- Regelaltersrente	753	1.111	347	787
Renten wegen Todes:	231	276	551	505
darunter:				
- Witwen-/Witwerrenten	230	275	551	527
Versichertenrenten insg.	950	999	485	811

Quelle: Deutsche Rentenversicherung Bund (2009), Rentenversicherung in Zahlen 2009, Berlin

Sozialpolitik-aktuell.de

Women's pensions related to employment are higher in East Germany than in West Germany, reflecting more steady occupational biographies of women in the former GDR. In West Germany the female pensions in regions with a strong service sector reach 60% of male pensions. In rural regions, female pensions are lower because of the traditional family model. (Ebert/Kistler/Trischler 2007).

4.4 State of affairs with regard to gender mainstreaming

Gender mainstreaming is not a major subject in German debates on life cycle and reconciliation policy although the introduction of father month into the Elterngeld regulation was accompanied by a lively public debate. However, public discussions are still concerned with the mother's role in society thus casting doubts on working mothers'. However, it is true that an increasingly high number of young parents wish to combine work and family. A growing number of women are willing to (re-) enter the labour market after child birth and even reduce their parental leave period so that their career opportunities are not sacrificed. Nevertheless, they often wish to reduce their working hours when returning to work. Often highly skilled women with good salaries do not have children because the conditions of child raising and pursuing a career at the same time are still complicated and particularly underdeveloped for West German women. More and more parents wish to share educational tasks, however the institutional conditions are still contradictory and there is a lack in child care facilities with adequate opening hours. Policies in this

field concentrate on the family's needs and neglect the task of creating equal opportunities for women and men i.e. the shift in family policy is not fully embedded in an equality and GM strategy.

A gender related debate on the situation of older women is missing. They are more concerned with poverty according to their occupational biographies. In general, older women are often interrupted in their labour market participation as they have worked part-time or have been in mini-jobs and are more likely to have experienced unemployment. The increase of retirement age could help to integrate older people in the labour market if there were enough jobs available for them. However, in case of unemployment the increase in the retirement age combined with reduced unemployment benefits for older people will lead to growing poverty for older people affecting older women more.

4.5 Summary and conclusions

Germany started in recent years a substantial change in its family policy and child care policy and the development towards a modern family policy can no longer be postponed. This is good news as the reconciliation of work and family is a major problem for women in Germany. The details of the child care facility programmes are still not clear, and the financial side is very complicated but the first steps have been made. However, the resistance to a more modern concept of working mothers was astonishingly strong and is not yet accompanied by a convincing concept of equal opportunities for women and men in society and economy. Retirement policy will have a negative impact regarding women's lower labour force participation – the new regulation will increase poverty among old women.

5. 'Flexicurity' policies

5.1 Introduction

In Germany, 'flexicurity' is on the explicit current policy agenda. Recent labour market reforms liberalised legislation on part-time employment, self-employment, marginal part-time work, employment protection legislation and cut unemployment benefits. New regulations on fixed term contracts and temporary employment as well as temporary employment constituted further steps to increased flexibility. When the German EU-Council Presidency started on January 2007, the Federal Ministry of Labour and Social Affairs announced the task to develop a common

understanding and definition of 'flexicurity' principles balancing security and flexibility within the EU. In the reform programme 2005 – 2008 the government points out that it aims to reconcile the need for flexibility of employees and employers with a sufficient level of security. It continues: "A fair balance between these two dimensions is the most reliable way to ensure that both employers and employees respond adequately to the need for adjustment and that these changes are accepted in return for an assurance that livelihoods and jobs will be maintained." It declares that the collective bargaining parties will play a major role in this context. In fact, regulations on "flexicurity" exist, but they are discussed under other labels: new part-time regulations, the creation of mini-jobs, new dismissal regulations and the cuts in unemployment benefits are steps to more flexibility in the labour market and have effects on gender equality.

5.2 Overview of recent developments

Since the 1980s labour market policies promote atypical forms of employment. Since that time, one third of all employees and half of the female employees are affected, 23% of all employees working part-time, 14 % having mini-jobs as their sole employment, and 5 % having a mini-job as a supplement to another job. 8% of all working contracts are fixed-term, 1.3% are temporary workers and 0.6 % of all wage-earners receive need schemes for self-employment (Ich-AG) (Böckler Impuls 10/2006).

The Federal Statistical Office published an analysis on low incomes and employment in August 2009. The survey is based on the German micro census and wage structure survey of 2008. It confirms the structural changes in the labour force by a considerable increase of the share of atypical employees (= dependent part-time employment, marginal part time employment (*mini job*), temporary work (*Leiharbeit*) and fixed term contracts) and self-employment at overall employment. In 2008, 34.4% of all female employees were employed atypically (men: 12%). The structural changes go hand in hand with an ongoing expansion of the low income and low wage sector. The survey shows that atypical employees on average earn less per hour than regular dependent employees. Nearly the half (49.2%) of all atypical employees derived a gross hourly wage (9.85 Euro in 2006) below the low wage threshold (= two thirds of the median income). Above all marginal part time employees received wages below the low wage threshold in 2006. Furthermore, the study also shows that regular dependent employees receive low

wages as well (16.7% of all women but only 7.7 % of all men). The share of low wage earners is not only depending on the employment type but also of the economic sector. As a general rule: atypical employees earn considerably less than regular dependent employees whatever economic sector they are employed (Statistisches Bundesamt 2009).

Part-time employment is a female domain in Germany. Only a small number of men work part-time. The overall part-time rate has permanently increased in the last 15 years and is more than 40% today. The proportion of female part-time workers is 42%, compared to 6.2% of male part-time workers. When we observe the proportion of part-time employment covered by the social security system (without mini-jobbers, civil servants and self-employment), the female proportion increased from 31.2% in December 2005 to 31.9% in June 2006 and the male part-time proportion from 4.8% to 5.0% in the same period (BA 2007). Part-time employment in West Germany has primarily been a female strategy to combine work and family. Although the Federal Government introduced the Act on Part-Time Work and Fixed Term Employment Contracts, enabling both female and male employees to work part-time, the situation has not really changed. Most men in part-time employment work more than 36 hours a week (male 85%, females 51%). Men still remain in their role as family breadwinners. The re-orientation of labour market policies partly helped to increase part-time employment.

New schemes for self employment (*Ich AG* and *Überbrückungsgeld*) were one of the successful parts of the "Hartz" reforms. Programmes have been changed recently to integrate both parts into one uniform scheme. The *Ich-AG* support scheme granted unconditional subsidies to the unemployed who decide to set up their own business. The scheme was associated with very high take-up rates (including the high percentage of female participants of 40%), and in the introduction phase of ALG II beneficiaries appear to have used it to a certain extent as an instrument to prolong the effective duration of higher-level income replacement when unemployment insurance benefits ran out. The instrument has been modified since and in particular eligibility is now conditional on the presentation of a business plan. However, the scheme co-exists with a similar one (*Überbrückungsgeld*, UG) and this diminishes the focus of the activation strategy. The two schemes are now merged into one scheme which is more restrictive in means testing than the former *Ich-AG*. Empirical evaluation of the UG scheme indicates that participants are less

likely to re-enter unemployment after programme termination than former unemployed who did not receive support.

Marginal part-time work increases continuously. In June 2006 almost 6.7 million people worked in marginal part-time arrangements called mini-jobs (until 400 €) or midi-jobs (until 800 €) (BA 2007) against 6.49 million in June 2005. Since the introduction of mini-jobs in 2003 the number of marginal part-time jobbers increased by 2.6 million. Mini-jobs are a form of subsidised work in terms of combined wages with reduced tax payment and without social security protection. They were introduced in the hope to create new jobs for the low qualified long-term unemployed and to build a bridge to regular jobs covered by social security. But this did not occur. For 25 % of all marginal part-time workers, a mini-job is a second employment. Among the 4.78 million people working exclusively as mini-jobbers, a large part are pensioners, housewives, scholars and students. The increase in mini-jobs is correlated to a decrease in jobs covered by social security. The proportion of mini-jobbers in the retail sector increased by 21% and by 36% in the hotel and restaurants sector. Both sectors are female dominated.

Part-time employment, mini-jobs and temporary employment rarely help as a bridge to full time employment. Between 1995 and 2003, only 5.4% of job seekers found full-time employment via part-time employment. Mini-jobs do not help as a way in full-time employment (Böckler Impuls 10/2006).

Employment protection legislation (EPL) changed as part of Agenda 2010 in 2004. Before the new regulation became effective, employees in companies with more than five employees were covered by the EPL law. After the reform, only employees in companies with more than ten employees were protected. Furthermore any employee had to be employed for more than 6 months before the employer was allowed to give notice. The reform was based on the assumption that there is a connection between employment protection legislation and companies' conduct in recruitment and lay-offs. Potential effects on unemployment were discussed controversially. The last legal changes do not appear to have influenced the labour market situation. Empirical studies prove that employment protection legislation does not prevent firms from recruiting (Bothfeld/Ullmann 2004). The reform is particularly aimed at small firms with few employees. They are regarded as reluctant to recruit for negative effects of EPL. As women are more often employed in small firms these reforms may effect women more than men. Nowadays the debate continues on increasing the entitlement period from 6 months to 24 months.

5.3 Effects of labour market reform on gender equality

Two thirds of the mini-jobbers who do not have any other employment are women largely covered by the social security system of their partners. As these women are not covered by social security of their own their dependence of the family main earner is enforced. In case of divorce they lose social security protection. They are not protected against unemployment and in need of care. Their pension entitlements will be very low and in case of illness rather limited. (Böckler Impuls 5/06)

In relation to the reform of employment protection legislation, it is a fact that men lose jobs more often than women. But a higher degree of women are in fixed term contracts and atypical employment such as part-time employment and mini-jobs. From this, deregulating employment protection could be useful for women however the ensuing social disadvantages must also be taken into consideration, as more women are employed for example in firms with a small number of employees and therefore not covered by dismissal protection any longer.

5.4 State of affairs with regard to gender mainstreaming

Although women are a concern in all discussed fields, gender dimensions are not a visible dimension of the political debates and concerns. Flexibility is discussed by mentioning that the German system of collective bargaining has become more firm-related and less centralized, facilitating lower wages, longer working time on the firm level for example. The legal regulation on part-time and fixed term contracts is mentioned as being positive for the reconciliation of work and family, but there is no reflection on gender mainstreaming as guiding principle. The notion of women being the second earners in the household is part of the flexibility strategy, as mini jobs and other forms of precarious employment, which do not allow a living wage, rely on the existence of a main income source, which is either the husband or – in case of lone parents and singles – the state via basic social income. Security, the second part of the concept, is offered only partially and – by the reform of unemployment benefits - even reduced during the last year.

5.5 Summary and conclusions

Flexicurity policy has focussed mainly on increasing more flexible forms of employment and supporting the expansion of non-standard forms of employment. This is because women are a major supply of flexible employment forms so flexicurity policy should have an explicit gender mainstreaming approach. But in Germany we observe an implicit gender bias: women are seen as a major group providing the labour market with a skilled and flexible labour force. As second earners it seems as if they do not need a good wage, or stable employment relationships, or full-time jobs, and as mothers they do not have the opportunity to work full-time as there is a lack of child care. Women are the ideal flexible workers; the supply of female labour is higher than the demand (as we face high unemployment rates) and therefore the labour market conditions are such, that the security aspects seem negligible.

6. Employment policy and gender mainstreaming in Germany

6.1 Summary and conclusions

Employment policies and gender mainstreaming are not yet in a conceptual or strategic alliance. The driving aspects of employment policy (either on the level of macro-economic employment policy or on the labour market policy level or on the level of the connected and intervening policy areas like social security policy, family policy etc) are neither developed in a coherent concept nor accessed according to gender mainstreaming principles. What we lack is a societal debate over the policy of employment creation and labour market development, for example, which takes gender aspects into consideration. What we observe, however, is policies with contradictory incentives and disincentives without clear targets and without the allocation of financial resources to reach the targets (for example in child care facilities). The concept of gender mainstreaming is not part of the political decision making process – although the institutionalisation of GM is sometimes stronger than in the field of equal opportunity policy. The relation between both policy areas is still unclear, both for the major actors in the field (women's commissioners and GM responsible persons) as well as for actors in other major fields like in the Labour Ministry or the Ministry of Economic Affairs or Financial Affairs. The new legal base (Antidiskriminierungsgesetz) is not yet developed to encourage major changes. The inclusion of additional aspects of antidiscrimination such as age or ethnicity does not make things easier. The relation between equal opportunity policies for men

and women, gender mainstreaming and diversity management is not very clear cut and sometimes not very fruitful. The concept of gender mainstreaming does not develop its full capacity due to a lack of data and empirical work on one hand, and a lack of political support on major levels of the political arena on the other. However, even in case of gender related critiques such as with the Hartz reforms, a negative impact of programmes does not convince the political majority to stop the programmes or to change the regulations per se if a "higher or more important target" is involved. But the protest had some impact as the government was forced to do research on the gender impact of the labour market reforms – this is a small but nevertheless important success. However, even if gender mainstreaming is fully integrated into political decision making processes, is there a need to convince the majority to change politics if we expect negative results from programmes and policy approaches for men or women.

Employment policy is a political field that involves different economic and social policies and different actors separate from the government, especially trade unions, employers associations and employers themselves. Whereas trade unions took up the idea of gender mainstreaming more openly, employers did not respond positively or – on the level of the firms – operate some kind of diversity management instead of "old-fashioned" equal opportunities policy. Some of the major companies changed the tasks of their relevant departments from equal opportunities to diversity management, neglecting the fact that there is still a need to develop equality policies in nearly all fields of employment and personnel policies.

We show that the increase of flexible work arrangements and the erosion of the "full-time standard employment relation" supported by a large labour supply of women are confronted with contradictory institutional and financial incentives and disincentives both in employment and family policy. Women can be a major source of highly educated and motivated labour supply and the construction of labour market and social security/family policy supports this labour market integration – although on a different base than men's and still seen as a marginal second earner. In nearly all reforms of the last decade, women's position as a marginal labour force had been enforced and the reforms concerning reconciliation of work and family leaving parents after 12 months without financial support and child care at the same time are a torso. The on going debate of women's role in society and family is necessary but somewhat "outdated" as the majority of parents wish to life

a live which allows them to combine work and family apart from the old breadwinner models.

Men's labour market prospects are also contradictory and a gender sensitive debate would increase the awareness of this. We observe some debates about men's roles as fathers and the necessity to create family-friendly policies in the workplaces which could include fathers and encourage them to participate in parental leave and other family related things such as shorter working hours, part-time etc. The new regulations on parental leave allowance may support men's willingness to reconcile work and family in a "female" way.

6.2 The way forward

What we would need (not only in Germany) is a general debate about the following points:

- Definition of equal opportunities and equal living conditions including a positive definition of women's and men's roles both in family and market activities. This definition would need to include a programme to change all legal and institutional regulations which are gender biased and support inequality of men and women. The gender mainstreaming principle which is today more a good will than a straight forward policy needs to be supported both with the financial resources and the political background. The explicit notion that women face several disadvantages both in family and employment policies needs to be strengthened because under the headline "gender mainstreaming" some actors try to stop equality policies.
- A vision of the labour market of the future like 30 hours paid work and 30 hours care work both for men and women as well as fathers and mothers. Such arrangements would overcome the situation where parts of the society are "overworked" and other parts are "underworked" either in paid and/or unpaid employment. The allocation of resources to individuals instead of married couples (in income tax systems), would increase women's rights and independency from a breadwinner – at the same time the society needs a time policy, that enables men and women, fathers and mothers to participate in paid employment in a way that a independent living is possible. Short part-time and mini-jobs should therefore not be supported any longer

- Steps into this direction could be the construction of independent rights (instead of family based or derived rights in social security systems), minimum regulations of wages, working conditions, working time policies to create more and better “long” part- time jobs, sabbatical leaves with full wage compensation both for vocational training and other leaves, the inclusion of all paid work into social security regulations, the creation of more and improved child care facilities
- A critical assessment of equal opportunity policies in the public sector and legal obligations to equality policies in private sector employment

References

- Alliance of German Women's Organizations (2008), Alternative Report in response to the 6th Periodic Report of the Federal Government on the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), Berlin, November 2008
- Bach, H.U./Klinger, S./ Rothe, Th./ Spitznagel, E. (2007), Arbeitsmarkt 2007 – Arbeitslosigkeit sinkt unter vier Millionen, in: IAB Kurzbericht Nr. 5, 28.2.2007 Nürnberg 2007
- Baer, Susanne (2005): Gender Mainstreaming – ein wichtiger und effizienter Beitrag zur Verwaltungsmodernisierung. in: Ministerium für Umwelt und Naturschutz, Landwirtschaft und Verbraucherschutz NRW (Hg.), Nachhaltig und gerecht – Gender Mainstreaming in Bundes- und Landesministerien, Dokumentation der Tagung am 22./23. Februar 2005, Düsseldorf 2005, S. 7-16.
- Becker, Irene /Hauser, Richard (2006), Verteilungseffekte der Hartz IV-Reform, edition sigma, Berlin, 2006
- Betzelt, Sigrid; Lange, Joachim; Rust, Ursula (Hg.) (2009): Wer wird aktiviert und warum (nicht)? Erste Erkenntnisse zur Realisierung der gleichstellungspolitischen Ziele des SGB II, Loccumer Protokolle 79/08, Rehburg-Loccum.
- Betzelt, Sigrid (2008): Universelle Erwerbsbürgerschaft und Geschlechter(un)gleichheit - Einblicke in das deutsche Aktivierungsregime unter "Hartz IV", in: Zeitschrift für Sozialreform, 54. Jg., H. 3, 305-327
- BMFSFJ (2002), Modelle und Initiativen zur Entgeltgleichheit. Dokumentation equal pay. Internationale Konferenz 17. – 19. Juni 2002, Berlin, p. 46f.
- BMFSFJ (2005), Implementierung von Gender Mainstreaming in die Arbeit der Bundesregierung <http://www.gender-mainstreaming.net/RedaktionBMFSFJ/RedaktionGM/Pdf-Anlagen/gm-implementierung,property=pdf,bereich=gm,rwb=true.pdf>
- BMFSFJ (Bundesministerium für Familie, Senioren, Frauen und Jugend) (2008). Elterngeldbericht. Bericht über die Auswirkungen des Bundeselterngeld- und

Bundeselternzeitgesetzes sowie über die gegebenenfalls notwendige Weiterentwicklung. Berlin.

Böckler Impuls 10/2006

Bothfeld, Silke/Ullmann, Karen (2004), Kündigungsschutz in der betrieblichen Praxis: Nicht Schreckgespenst, sondern Sündenbock, in: WSI-Mitteilungen 5/2004, p. 262-270

Brenke, Karl/Eichhorst, Werner, (2007), Mindestlohn für Deutschland nicht sinnvoll, in: DIW Wochenbericht, Heft 9, Berlin 2007, S. 121- 133

Bundesagentur für Arbeit (2007), Analyse des Arbeitsmarktes für Frauen und Männer, Nürnberg Februar 2007 (BA 2007)

Bundesagentur für Arbeit (2009). Analyse des Arbeitsmarktes für Frauen und Männer. Mai 2009. Nürnberg.

Deutscher Bundestag (2007), Bundesdrucksache 16/4558, 07.03.2007

Deutscher Bundestag (2007), Sechster Bericht der Bundesrepublik Deutschland zum Übereinkommen der Vereinten Nationen zur Beseitigung jeder Form von Diskriminierung der Frau (CEDAW) Bundesdrucksache 16/5807, 08.06.2007

Dietz, Martin; Müller, Gerrit; Trappmann, Mark (2009; Warum Aufstocker trotz Arbeit bedürftig bleiben. IAB Kurzbericht 2/2009

Ebert, Andreas/Kistler, Ernst/Trischler, Falko, (2007), Ausrangiert – Arbeitsmarktprobleme Älterer in den Regionen, edition der Hans-Böckler-Stiftung, 2007

Eichhorst, W. and Sproß, C. (2005), Arbeitsmarktpolitik für Ältere – Die Weichen führen noch nicht in die gewünschte Richtung, IAB Kurzbericht No. 16/2005, Nürnberg

European Commission (2007), Quarterly Report on the Euro Area, Vol 6 No.1, March 2007,
http://ec.europa.eu/economy_finance/publications/quarterly_report_on_the_euro_area/2007/report0107en.pdf

- Färber, Christine, Dohmen, Dieter, Parlar, Renee, Köhnen Manfred, Cleuvers, Birgitt (2006), Machbarkeitsstudie Gender Budgeting auf Bundesebene, Im Auftrag des Bundesministeriums für Familie, Senioren, Frauen und Jugend, Berlin.
- Holst, Elke (2003), Einkommensunterschiede zwischen Frauen und Männern nehmen in höheren Positionen zu, in: WSI Mitteilungen Heft 4/2003, S. 243-250
- Holst, Elke; Busch, Anne (2009); Glass Ceiling Effect and Earning – The Gender Pay Gap in Managerial Positions in Germany, SOEP Papers No. 209, DIW Berlin
- Kalina, Torsten; Weinkopf, Claudia (2008), Weitere Zunahme der Niedriglohnbeschäftigung: 2006 bereits rund 6,5 Millionen Beschäftigte betroffen, in: IAQ-Report 2(1): 1-11
- Maier, Friederike (2008), The Persistence of the Gender Wage Gap in Germany, discussion paper des Harriet Taylor-Mill-Instituts der FHW Berlin, No. 1/2007, Berlin
- Pfarr, Heide (Hg.) (2001): Ein Gesetz zur Gleichstellung der Geschlechter in der Privatwirtschaft, Düsseldorf 2001
- Rüling, Anneli/Kassner, Karsten (2007), Familienpolitik aus der Gleichstellungsperspektive. Ein europäischer Vergleich, Friedrich-Ebert-Stiftung 2007
- Rüling, Anneli (2008), Ein Jahr Elterngeld - Geschlechterrevolution oder Leistung für Besserverdienende?, in: femina politica Jg. 17(1): 115-118.
- Schiek/Dieball/Horstkötter/Seidel/Vieten/Wankel (2002): Frauengleichstellungsgesetze des Bundes und der Länder. Kommentar für die Praxis, Frankfurt/M. 2002
- Schiek, Dagmar/Horstkötter, Inge (2002): Vom Frauenfördergesetz zum Bundesgleichstellungsgesetz. Änderungen im Recht der Gleichstellung, in: Der Personalrat 19/2002, p. 139-147
- Spieß, Katharina/ Wrohlich, Katharina (2006), Elterngeld: Kürzere Erwerbspausen von Müttern erwartet, in DIW Wochenbericht, Nr. 48, Berlin 2006, S. 689 – 694

Statistisches Bundesamt (2009). Niedrigeinkommen und Erwerbstätigkeit. Wiesbaden.

United Nations, Committee on the Elimination of Discrimination against Women (2009), Concluding Observations Germany, Forty-third session 19 January – 6 February 2009, 10 February 2009; <http://www2.ohchr.org/english/bodies/cedaw/cedaws43.htm>

Wanger, Susanne (2005), Frauen am Arbeitsmarkt – Beschäftigungsgewinne sind nur die halbe Wahrheit, in: IAB Kurzbericht Nr. 22, 24,11,2005, Nürnberg 2005

Wenner, Ulrike (2007), Von der Wahrnehmung von Frauenbelangen mit dem Gender Mainstreaming - Prinzip zum Diversity – Management. Eine kleine Zeitreise einer Zeitzeugin durch die Frauen- und Chancengleichheitspolitik der Bundesagentur für Arbeit 1990 – 2007, Präsentation

Wurzel, E. (2006), Labour Market Reform in Germany: How to Improve Effectiveness? Economics Department Working Papers No. 512, OECD, Paris, ECO/WKP (2006)40

Ziegler, Astrid (2005), Erwerbseinkommen, in: Bothfeld, Silke u.a., FrauenDatenReport 2005. Handbuch zur wirtschaftlichen und sozialen Situation von Frauen, Hans-Böckler-Stiftung, Berlin, p. 241-306

In der Reihe Discussion Papers des Harriet Taylor Mill-Instituts für Ökonomie und Geschlechterforschung der HWR Berlin sind bisher erschienen:

Discussion Paper 2007

Friederike Maier

The Persistence of the Gender Wage Gap in Germany

Discussion Paper 01, 12/2007

Discussion Papers 2008

Madeleine Janke und Ulrike Marx

Genderbezogene Forschung und Lehre im Fachgebiet Rechnungswesen und Controlling Discussion Paper 02, 05/2008

Claudia Gather, Eva Schulze, Tanja Schmidt und Eva Wascher

Selbstständige Frauen in Berlin – Erste Ergebnisse aus verschiedenen Datenquellen im Vergleich

Discussion Paper 03, 06/2008

Miriam Beblo, Elke Wolf

Quantifizierung der betrieblichen Entgeltdiskriminierung nach dem Allgemeinen Gleichbehandlungsgesetz. Forschungskonzept einer mehrdimensionalen Bestandsaufnahme

Discussion Paper 04, 11/2008

Discussion Papers 2009

Wolfgang Strengmann-Kuhn

Gender und Mikroökonomie - Zum Stand der genderbezogenen Forschung im Fachgebiet Mikroökonomie in Hinblick auf die Berücksichtigung von Genderaspekten in der Lehre

Discussion Paper 05, 06/2009

Katherin Barg, Miriam Beblo

Male Marital Wage Premium. Warum verheiratete Männer (auch brutto) mehr verdienen als unverheiratete und was der Staat damit zu tun haben könnte

Discussion Paper 06, 07/2009

Vanessa Gash, Antje Mertens, Laura Romeu Gordo

Women between Part-Time and Full-Time Work: The Influence of Changing Hours of Work on Happiness and Life-Satisfaction

Discussion Paper 07, 12/2009

Elisabeth Botsch, Friederike Maier

Gender Mainstreaming in Employment Policies in Germany

Discussion Paper 08, 12/2009

Die Discussion Papers des Harriet Taylor Mill-Instituts stehen als PDF-Datei zum Download unter der Adresse www.harriet-taylor-mill.de zur Verfügung. Siehe dort Publikationen, Discussion Papers

Harriet Taylor Mill-Institut der
Hochschule für Wirtschaft und Recht Berlin
Badensche Str. 50-51
10825 Berlin
www.harriet-taylor-mill.de