

# NEW PATHWAYS – EQUAL OPPORTUNITIES GENDER EQUALITY OVER WOMEN'S AND MEN'S LIFE COURSES

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REPORT BY THE EXPERT COMMISSION TO THE GERMAN FEDERAL  
MINISTRY OF FAMILY AFFAIRS, SENIOR CITIZENS, WOMEN AND YOUTH  
FOR THE FIRST REPORT ON GENDER EQUALITY IN GERMANY



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**CENTRAL RESULTS AND  
RECOMMENDATIONS FOR ACTION**

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## Members and tasks of the Commission

It was agreed in the CDU, CSU and SPD coalition agreement of 11 November 2005 that a report on gender equality would be produced once in every legislative period. On 23 June 2008, the German Federal Minister for Family, Senior Citizens, Women and Youth at that time, Dr. Ursula von der Leyen, appointed the interdisciplinary expert commission to produce the First Report on Gender Equality in Germany.

The members of the commission were:

- **Prof. Dr. Ute Klammer** (Chair), Universität Duisburg-Essen
- **Prof. Dr. Gerhard Bosch** (since February 2010), Universität Duisburg-Essen
- **Prof. Dr. Cornelia Helfferich**, Evangelische Hochschule Freiburg
- **Prof. Dr. Tobias Helms** (until November 2010), Philipps-Universität Marburg
- **Prof. Dr. Uta Meier-Gräwe**, Justus-Liebig-Universität Giessen
- **Prof. Dr. Paul Nolte**, Freie Universität Berlin
- **Prof. Dr. Marion Schick** (Chair and member until February 2010), State Minister for Cultural Affairs, Youth and Sport in Baden-Württemberg since February 2010
- **Prof. Dr. Margarete Schuler-Harms**, Helmut-Schmidt-Universität / Universität der Bundeswehr Hamburg
- **Prof. Dr. Martina Stangel-Meseke**, BiTS Business and Information Technology School gGmbH Iserlohn

Written from the “life course perspective” on equality policy and as a counterpart to the Seventh Family Report, the German Federal Government's First Report on Gender Equality is intended to provide the basis for a coordinated family and equality policy. For assistance with producing the report, the commission consulted with selected academics and engaged in dialogue with politicians, ministries, the research community, business representatives and civil society through a range of events, hearings and expert discussions.

This report was presented to Germany's Federal Minister for Family, Senior Citizens, Women and Youth, Dr. Kristina Schröder, in January 2011.

## 1.1 REMIT OF THIS REPORT

The German Federal Government's expert commission for the First Report on Gender Equality had the task of identifying the political measures necessary in various life phases and at transition points in people's lives. Future areas of activity in equality policy were to be determined and analysed in order to provide a foundation for innovative equality policy for men and women. It was to be examined whether stimuli for change are needed in these future areas, and the precise measures required were to be identified.

For this reason, the commission was given the task of investigating the situation of men and women in various life phases and at "transition points" or "trajectories" in their lives where they take decisions that have a long-term effect on their working and private/family situations. In addition, the manner in which transitions in people's lives occur and the framework conditions that apply to them were to be identified. Also to be determined were the social, economic, institutional and legal conditions under which individual options for choice can be created. On this basis, recommendations for action were to be formulated that would allow for equal opportunities for men and women in all phases of their lives.

The life course perspective, as already formulated in the commission's remit, was an important guiding principle for the commission in the report. This approach has been the explicit or implicit starting point for numerous reforms in education, employment and social policy in recent years, and it also formed the basis of the European Employment Strategy and the International Labour Organization's equality reports, for example. A central characteristic of the life course perspective is that it no longer concentrates on short-term effects alone. Instead, it considers the cumulative effects of decisions on the entire course of people's lives. In this way, the life course perspective allows for a view of the "bigger picture", and interventions in individual phases of people's lives are no longer considered in isolation, but rather in terms of their longer-term effects on subsequent life phases. This approach is representative of a shift to a sustainable political philosophy that is driven by long-term and permanent effects. The aim here is integrated equality policy that coordinates the bodies and departments responsible for the various individual life phases.

In the German Federal Government's First Report on Gender Equality, the commission had to concentrate on a number of areas in view of the wide range of topics involved. At the core of this report are the issues of equality in education and training and in employment, as education, training and employment have decisive formative effects on career paths and life courses and are also the keys to participation in other areas of society. Closely associated with these issues are the role models embedded in the law, the relative amounts of time spent by men and women in employment

and carrying out care work, and social security for old age which reflects the unequal opportunities in the area of employment above all over the course of people's lives. Other central areas in the context of equality, such as healthcare and violence, could not be dealt with in this report. Due to the great importance and complexity of these issues, they require separate, comprehensive analysis that takes into account the different perspectives for the genders over their life courses. The commission recommends that these issues be examined in more detail as part of the remit of future reports. The same applies to equality issues in the areas of migration and integration which are dealt with in this report where they intersect with other issues, but migration and integration actually require more detailed investigation than was possible in this report.

## 1.2 THE COMMISSION'S GUIDING PRINCIPLES

The commission was in agreement that lifestyles and ways of life cannot be prescribed. The existing and the future plurality of ways of life is the expression of various preferences and of the freedom to choose that is natural in a society that is based on liberty. However, it must also be ensured that the necessary individual resources and the required societal framework conditions and recognition structures are created in order to provide real options for choice.

For this reason, the commission has defined "equal opportunities" more precisely as "equal capabilities", in line with the approach of Nobel Prize winner in economics, Amartya Sen. Sen's capability approach broadly outlines the conditions that have to exist in order for individuals to have not just formal, but also real options for choice. It would thus be insufficient to consider formal equality goals only. Instead, individuals must be equipped with the skills and resources that allow them to achieve these goals. New options for choice are probably only taken advantage of in large numbers when new role models and the duties that they create are recognised and valued by society. Only when positive societal recognition and valuing are in place can new roles for men and women associated with an altered distribution of employment and care work actually take on role model character in society.

Particular future areas of activity in equality policy were analysed in this report to provide a basis for forward-looking equality policy for men and women that is consistent over the course of their lives. With this goal in mind, the commission has examined whether measures need to be taken and, if so, which measures. For this purpose, the following guiding principles were developed, which were to guide the reorientation of institutions in the long-term and to form the ultimate goal for gradual policy work.

*"Our goal is a society that offers choices. Good education and training ensures that men and women are employable. In this way, they are given*



*the ability to earn their own livelihood and also to provide for their own social welfare. Job-related qualifications and skills are equally valued and remunerated for men and women. The balancing of working life and family life is ensured by providing adequate childcare infrastructure, school-based education and nursing care, and flexible working hours in companies. Career paths are made more flexible thanks to opportunities to take career breaks or to temporarily and reversibly reduce working hours. Society provides support for people when they take advantage of these opportunities for children's education, childcare, nursing care and further education. Particular incentives are put in place so that these opportunities will be used by women and by men in areas where this is beneficial for society. Taking advantage of these opportunities must not result in disadvantages in old-age benefits."*

In the context of the reorientation of institutions in line with these guiding principles, it is to be ensured that disadvantages do not ensue for people who have planned their lives according to the framework of the old institutions and placed their faith in the continued existence of these institutions. In particular cases where people have no opportunity

to act themselves to balance out possible disadvantages resulting from institutional changes, they are entitled to reliability and protection of existing social entitlements. This particularly applies to old-age benefits, where entitlements cannot be built up retrospectively. Life courses that have been lived in the past deserve the same societal recognition and value as new life patterns.

## 1.3 CORE RESULTS OF THE ANALYSIS

### 1.3.1 Role models and law

The law shapes, supports, strengthens or weakens role models. Role expectations influence the decisions made by men and women. These expectations can support behaviour that is consistent with roles and can make behaviour that deviates from roles more difficult. If role models shape the courses of action available to men and women in different manners, this is a matter for equality policy.

Role models created or supported by the law influence people's decision behaviour in their various life phases and at the transition points in human lives. If behaviour that is consistent with roles in a given life phase



leads to risks or even to disadvantages in a person's later life and if these consequences mainly affect one gender, the result is that equality policy action is necessary. The creation of consistent law and the coordination of role expectations over the course of people's lives from the perspective of equality are significant tasks for equality policy as an area of legal policy.

However, equality policy as an area of legal policy should not only be confined to parliamentary legislation. Legal judgements and administration are also based on role assignments and role expectations and serve to shape these in the course of the creation and application of written law under certain circumstances.

The role models for women and behaviour expectations for women in the law differed considerably between the early Federal Republic of Germany (FRG) and the German Democratic Republic (GDR). In the early FRG, the Federal Constitutional Court interpreted "equal rights" mainly as the equality of men and women in the recognition of their inherent differences and formulated the principle of the distribution of work in the relationship between men and women. Although the principle of equality was later interpreted as the principle of legal equality, the guiding concepts and role models in the law of the early FRG were based on the inherent differences between men and women, on the separation of the spheres of employment and work in the home, and on an asymmetric model of partnership based on marriage and a separation of roles. Role expectations were coupled with the assumption of stable status situations and relationships.

In GDR law, marriage and family and men's and women's life courses were also institutionalised with the help of the law, albeit in a different manner. While marriage based on a separation of roles and family life based on marriage remained the guiding models in the early FRG, the GDR established a "historically new family type" and oriented its life course for women towards the model of the "working mother". Nonetheless, family work remained a woman's affair from a legal viewpoint. It can thus be seen that the more traditional model of the "housewife and carer" was an inherent part of this model of the "working mother".

Marriage remains an important form of partnership and cohabitation between men and women in the unified Federal Republic of Germany. However, regulations that are based on the model of marriage for life with an unequal distribution of the work and duties between married partners prove to be inconsistent. The functional basis of this model whereby the woman who carries out household and care work can continue to depend on financial support after divorce is no longer reflected in reality or in the applicable law. In principle, married men and women now have to secure

their own material livelihoods in the case of divorce. The law no longer determines how the parties' former living standards will be secured after divorce, but instead stipulates the obligations to engage in employment – which, in certain cases, may be beneath the level of the parties' own occupational qualifications. The consequences of this inconsistency affect women significantly more strongly than they do men.

In social and tax law, the role model of the "stay-at-home housewife" is being modified to favour a balance between care work and employment more strongly. Care periods are still provided for, and are taken into consideration to an improved extent in combination with employment. However, these periods are protected and supported by labour and social law as "phases" in people's life courses (parental leave, child-raising periods for pension law purposes, the concept of the half-year nursing care period) or as temporary interruptions (short periods caring for sick children or for relatives). New regulations that have come into force in individual cases in a non-systematic manner emphasise the man's responsibility as regards care (partnership months in the case of the parental allowance) or the option of jointly assumed care responsibility by the parents (parental leave, parental allowance but with too short a period of applicability). The concept of independent provision of one's livelihood taking into account care work independently of gender or marital status can be identified in these legal developments.

### 1.3.2 Education and training

Education and training are the keys to self-realisation opportunities. Inadequate school education and occupational training do not just present a barrier to entry into employment; it also makes it more difficult to obtain employment that will secure one's livelihood, to make career progress, and to access successful lifelong learning. Research on life courses has clearly shown that the disadvantages of a bad start on one's career path caused by inadequate education and training can only be compensated with great difficulty later in life. In addition, good education and training is also the key to understanding societal interrelationships and is the prerequisite for successful participation in various areas and functions, such as in voluntary work or in politics. Both of these statements apply equally to men and to women.

There are few other areas of society where women have caught up to such an extent (in the last 40 years) as in the field of education. Girls and young women have been the beneficiaries of the growth in education since the 1970s. Nowadays, they achieve higher and better school qualifications than young men do on average. The growth in service sectors with traditionally high proportions of women employees has also improved women's prospects of successfully entering employment. However, many of these service industry occupations are still structured



as jobs for “secondary earners”, particularly in personal and social services. In addition, occupations are still chosen in a gender-specific manner to a significant extent, which has negative consequences for women in terms of potential earnings and career prospects later in life. Maternity during education or training also reduces women’s chances of completing qualifications and entering into professional careers.

More case-specific consideration of various groups of men and women is becoming increasingly important for equality policy. There are “winners” and “losers” in terms of education and training in both genders. For example, it occurs particularly frequently that the education paths of male youths from educationally disadvantaged families are characterised by difficulties with school transitions and with the entry into training. Frequently, they have no or else lower school-leaving qualifications than young women. In addition, disadvantages in terms of entry into employment have arisen in recent years as a consequence of the reduction in the number of vocational training places on offer in male-dominated commercial and technical occupations. Among young women, school-leavers from Germany’s “Hauptschule” (lower secondary schools) are less likely to achieve a vocational qualification. Women are more likely to fulfil the prerequisites for studying at university, but go on to study less frequently than men with these prerequisites do. This particularly applies to young women with a migrant background.

The following results are central to equality policy that wishes to prevent long-term negative consequences at transition points in the education and training paths of young men and women:

- ▶ The traditional structural division of the vocational training system into a dual training and a full-time school-based branch is proving to have negative effects in terms of equality. The non-homogeneous qualification profiles and the lack of nationwide standardisation in full-time school-based training in personal services are serving to reinforce the low level of professionalisation of many occupations where women typically dominate. The professionalisation of these occupations and an increase in their prestige and pay levels are all long overdue. The traditional lack of regard for these “labour of love” occupations that cannot be put on a more professional basis is harmful for both men and women who wish to work in these areas; indeed, these are actually areas for which there is a growing demand.
- ▶ Gender research shows that the difficulties of young males in schools are due mainly to the presence of a certain type of masculinity that does not value education and is incompatible with educational endeavour; the prevalence of this type of masculinity depends on age and social class. Certain disciplines such as the natural sciences, technology, information technology and mathematics have an image

as “male” disciplines, which puts young women off these disciplines.

- ▶ In their choice of subjects in school, of training profession and of university discipline, men and women rigidly reproduce the existing demarcations between the genders. For years now, it has been possible to observe a streamlining of the choice of profession or area of study taken by young men and women in favour of a narrow, gender-specific spectrum.
- ▶ Parenthood during training leads to an increased risk of the trainee dropping out. This mainly applies to women, and applies to all training paths and phases. Despite the opportunities for part-time training that are anchored in the law, young women who care for a child during their vocational training have a high risk of dropping out of their training. Young mothers with a low level of skills and a migrant background often do not succeed in completing their basic qualification. Students and graduates who are mothers are also disadvantaged in terms of their education path and entry into employment as compared to women who do not have children.
- ▶ Further training during adulthood represents a means of spreading education or training phases over a person’s life course (e.g. working between bachelor’s and master’s courses) and thus achieving career progression. In addition, it can also offer an essential second chance in cases where education and training opportunities were not taken advantage of when the person was younger or where a person’s educational path was interrupted when they started a family. Up to now, women have been at a disadvantage in terms of training offered by employers, which is a key factor in employment security and promotion prospects. For example, women represent only a third of those who have taken advantage of the 1996 German Upgrading Training Assistance Act, the so-called “Meister-BAföG” assistance for education, which provides financial support to promote participation in training aimed at career progress.

### 1.3.3 Working life

Well-qualified women increasingly wish to earn their own livelihoods. However, this desire is in stark contrast with the sobering reality revealed by current analyses which show that equality in terms of the participation of women has still not been achieved despite the transformation that has taken place in the employment system in Germany.

On the one hand, the parental allowance and the expansion of all-day schools and day-care facilities for children are promoting equal participation in employment. On the other hand, however, the spousal tax-splitting system, derived social insurance entitlements and so-called mini-jobs are creating strong incentives for married women to either not work or to work in marginal employment. Typical women’s occupations are

generally badly paid and offer poor prospects of promotion. The models of family life and of women's lives, which continue to be characterised by role and gender stereotypes in Germany, are making it difficult for women to enter into employment and are resulting in poorer career prospects for women. Women are significantly underrepresented in management positions. At the same time, the risk of having to enter the job market with poor prospects increases in the case of divorce or of the spouse becoming unemployed. Nowadays, women are increasingly unable to rely on being covered by social insurance over the course of their lives as housewives or as secondary earners. They are also limited in terms of their choices, as their wishes as regards employment and working hours cannot be fulfilled because of inadequate childcare infrastructure or rigid structures for working hours. The interruptions that often occur in the working lives of women with children or with relatives in need of nursing care result in significant disadvantages in their later careers despite the importance to society of the care work they perform.

The following central trends as regards equality policy in Germany can be identified by evaluating empirical data and the numerous studies on the status and development of employment among men and women:

- ▶ The percentage of women in employment in (West) Germany may have risen significantly in recent years, but the overall participation of women as measured in equivalent full-time posts has hardly changed – a situation contrary to almost all other European countries. The increased participation of women in employment has been achieved largely on the basis of an increasing number of jobs in marginal employment and a redistribution of the total volume of employment among women. As a consequence of this fragmentation of women's job situations, a majority of women are still far from being able to earn their own livelihoods independently despite being in employment.
- ▶ The difference in hourly wage rates between men and women is higher than in almost all other European countries at around 23%. The risk of being lowly paid is more than twice as high for women compared to men. In 2007, the percentage of lowly paid women was 29.3% as compared to 13.8% for men. The fact that women are more likely to be lowly paid has resulted in two thirds of all low-paid workers in Germany being women. In addition, women are strongly represented in the lowest-paid categories with hourly pay rates of less than 5 or 6 euros. Furthermore, the prospects for women of moving from the low-pay sector into a better-paid position are significantly worse than for men. This gender difference in pay can only partially be accounted for by differences in employee characteristics such as qualifications, work experience or the sector they work in. The wage gap is still due to discrimination to a certain degree that is difficult to quantify. The principle of "equal pay for work of equal value" has still not been put into practice across the board.
- ▶ The status of part-time work as a women's domain has become less homogeneous and must be evaluated on a case-by-case basis. Part-time work that is subject to social insurance contributions is desired by many women (and, up to now, less frequently by men) and represents a suitable instrument for achieving work-life balance in certain life phases, particularly when coupled with an option of returning to full-time work. The mini-job sector promoted by government, on the contrary, is proving to be a "trap" for women in terms of their career development. In the short term, taking up a mini-job may appear to be beneficial due to the sharing of the spouse's statutory health insurance cover and the retention of the additional tax benefit thanks to the spousal tax-splitting system. In practice, however, mini-jobs often prove to be a cul-de-sac in terms of career prospects, as it is difficult to make the step from a mini-job into employment that is subject to social insurance contributions. In addition, providing for one's own livelihood independently is impossible during the employment phase and after retirement on the basis of so-called marginal employment, which is associated with low pay levels in over 85% of cases.
- ▶ Many of the additional jobs created in recent years in the area of social and personal services are structured as positions for aides, assistants and secondary earners. They tend to offer poor income prospects based on currently valid evaluations/classifications of these jobs. In addition, earnings in those service sectors with high percentages of women have increasingly become decoupled from general earnings trends over the last 15 years. The reason for this are the fact that collective agreements apply in fewer cases and the reduced number of declarations that make collective agreements generally binding even for companies not directly covered by collective agreements.
- ▶ Women's career paths continue to be more strongly characterised by discontinuities than those of men, even though a degree of convergence has occurred here. Periods out of work and in part-time work leave "scars" in many women's career paths that result in poorer earnings and career prospects and have a negative effect on their subsequent career paths. As employers generally expect women to stop working to take up care duties, in line with traditional role models, they invest less in the training and development of female employees. These role and gender stereotypes also hinder the career development of those women who will never have children or who have children but remain in employment.
- ▶ Partner and family commitments play a role in the decisions taken by men and women relating to employment ("linked lives"). The currently applicable institutional framework conditions continue to create incentives for an unequal distribution of employment and care work between spouses. A return to traditional arrangements characterises the majority of married couples' lives, with the consequence that



women do not progress in their careers and forfeit opportunities to earn their own income. The associated difficulties are particularly evident in cases of unemployment or divorce where a very different understanding of employment obligations is applied in the context of the German Social Code Book SGB II and/or the reformed maintenance laws and where women suddenly become the family breadwinners. The inconsistencies in the various areas of social welfare regulations are factors in women often having great difficulties in mastering this change of role.

- ▶ The results of current analyses on the topic of “women in management positions“ are sobering. This applies both to senior management level and to the composition of supervisory boards and management boards. The percentage of women in the private sector in the first and second levels of management rose continuously between 1995 and 2010 (from 8.2% to 19.6%), but the percentage of female top-level managers at large companies with a turnover of over 20 million euros only increased from 3.2% to 5.9%. The corresponding figure is only 3.2% for joint-stock companies included in one of the DAX indices. Although the lack of representation of women in management positions has often been empirically investigated and studies have even identified a positive correlation between women in management positions and organisational performance, progress in this area is stagnating. The voluntary agreement that has been in place for nine years between the German Federal Government and the leading German trade associations and that aims to promote equal opportunities for men and women in the private sector has not resulted in a change of the gender distribution of management positions.
- ▶ In recent years, the issue of “family-friendliness“ has become more important for many companies. In the context of the shortage of specialist labour that is currently developing, more and more companies are offering flexible working hours and other measures that have the potential to improve work-life balance. However, this positive trend is being negated by increasing workloads as a result of cutbacks in personnel and by increasing demands on the time flexibility of employees caused by extended hours of service. Flexible models for working hours have indeed led to a softening of the family-incompatible culture of “having to spend long hours in the office“. However, a new culture of “round-the-clock availability“ has been created by new communication tools (company mobile phones, smartphones), particularly at management levels, which has made it increasingly difficult to separate working life from private life. Systematic use has not yet been made of the opportunities presented by a personnel management philosophy that is oriented in a long-term manner and takes account of people’s changing life situations.

Personnel policies that have short-term orientations are particularly dominant in the case of less-qualified groups of employees.

People’s opportunities for self-realisation are being held back by the framework conditions outlined here which are hindering equal participation of women in employment and are hindering opportunities for a combination of employment and care work on a shared basis over the course of people’s lives. These conditions also represent a waste of resources that is not desirable from an economic viewpoint and that is not sustainable in the context of demographic changes and of the current shortage of specialist labour.

### 1.3.4 How people’s time is spent

The breakdown of how the genders spend their time provides an adequate indication of the different life courses and employment paths of men and women. Significant gender-specific patterns of time use for various forms of societally important work can be identified in Germany in people’s everyday lives and in their biographic paths. The commission includes employment as well as unpaid housework and care for children, assisting relatives and friends, and community and voluntary work here.

The two major surveys of how people’s time is spent in Germany from 1991/2 and 2001/2 and surveys on employees’ wishes with regards to working hours in other countries also provide information on typical patterns of time spent by both gender groups and allow for comparisons to be made. The most important results can be summarised as follows:

- ▶ Although there has been convergence with regard to the overall working time of men and women in Germany, employment outside of the home continues to dominate for men, while housework and care work in the home dominates for women. The transition to parenthood is accompanied by a shift of the various activities relating to housework and care duties towards mothers: Qualitative studies in households with couples who have children also reveal persistent patterns in the distribution of housework and time commitments – even despite the increasing participation of mothers in employment. In the context of our ageing society, housework and care work is not only necessary for children but also increasingly for relatives who are in need of nursing care. This care is often required at a stage of life where men and women are still at work (the “sandwich generation“).
- ▶ Women in households in Germany with couples who have children have to carry out unpaid housework and care work to a degree that is above average when compared to other countries. This also applies to mothers with good qualifications. The influence of marriage, partnership and children on the extent of time worked in employment by women has actually increased in recent years. Women with

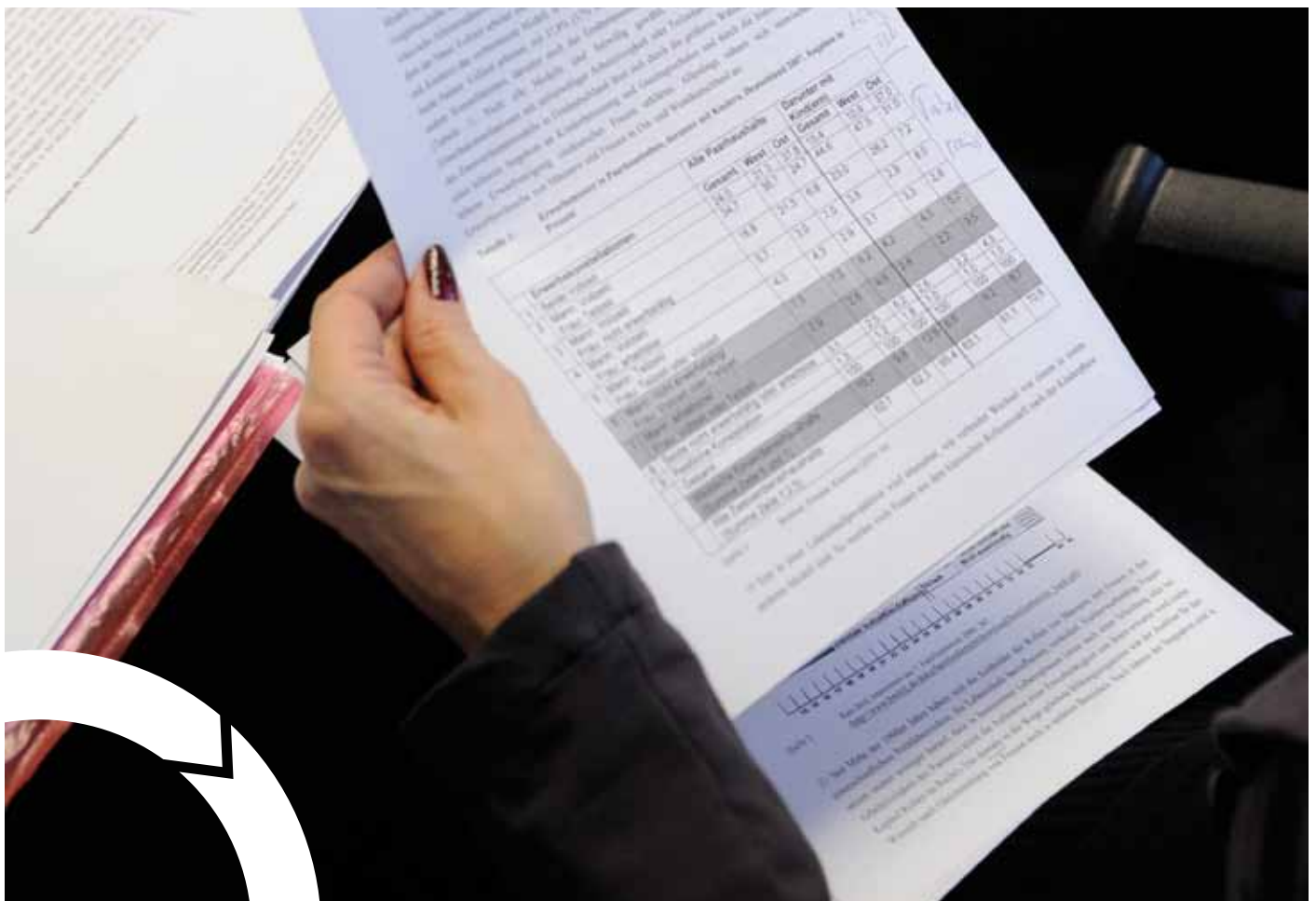


children are more likely to be in employment than was the case ten years ago; but they work significantly fewer hours in their jobs. When the situation is compared with that in other European countries, it can be seen that there is no other country in Europe where women in part-time positions work so few working hours as they do in former West Germany, with an average of 18.2 hours per week; this is mainly due to the high contribution of marginal jobs (so called “mini-jobs”).

- ▶ However, the significant differences between the genders in total working hours do not reflect the desires of mothers and fathers. Fathers and mothers express a strong interest in seeing their respective amounts of working hours converge. Fathers wish to reduce their weekly number of hours worked mainly by reducing overtime hours. A large fraction of those in employment cannot achieve the number of working hours that they would actually like. On the whole, women in part-time positions would like to work more hours; on the other hand, short working weeks are desired by fathers, who often work overtime and actually do more hours than the figure specified in

collective agreements for full-time jobs. If men and women had their way, their total working hours would be significantly closer together than is actually the case.

- ▶ Women with no partners or children are among the most geographically mobile workers in Germany. As soon as a couple have children, however, working mothers with children become less mobile, while the fathers continue to accept long commutes and job-related periods away from home. Positions that require significant amounts of travel and periods away from home become significantly more problematic in the case of motherhood. Job-related mobility requirements can influence decisions in men's and women's planning of their lives, and sometimes even act against the desire to have children.
- ▶ An ever-increasing number of older people are seeking out new areas of activity after they retire and are making an important contribution to society in this period of their lives, for example with voluntary work and unpaid care work. This includes the minding of grandchildren, who are playing a more important role in multi-generational family life





nowadays thanks to increased life expectancies. This type of support will become more difficult to provide in future due to the increased geographical distances between grandparents, parents and children and also due to the increasing participation of women in employment. The social inclusion of the increasing number of men and women in old age with no children will depend significantly on how they succeed in establishing social relationships outside of partnerships and parenthood.

- ▶ Women carry out voluntary work less often than men and are less likely to have voluntary positions of responsibility; they are more likely to do voluntary work in the social sector and at a time when it best suits their stage of family life, as they have to reconcile this work with their high time commitments for housework and care work. Early experience in people's biographies with voluntary work makes it more likely that they will continue or resume such work when they are older, regardless of their gender.

On the whole, people experience working life and retirement as life periods with an extreme contrast in terms of not having enough time and then having plenty of it. The findings with regard to time spent show that the issue of the combination of work, children and nursing care in the child-raising life phase is not the only important issue here; also necessary is an integrated perspective of people's entire life courses. A fulfilling balance between employment and other activities (work-life balance) is only possible when important life decisions such as parenthood are not hindered by lack of time and when other forms of fulfilling work (e.g. voluntary work) can be reconciled with employment and family duties for both genders.

### 1.3.5 Old age – life phase and life balance

In the context of increased life expectancies and future further increases in life expectancy, retirement now represents a significant period in the lives of most people in Germany. Because women have even longer life expectancies, this particularly applies to women: Statistics show that women who reach the age of 65 can expect to live another 20.4 years, while for men the figure is 17.1 years. Women and men who live to be 80 have another 9 (for women) or 7.7 (for men) ahead of them as people in "advanced old age".

The only social benefit system in Germany that is explicitly linked to the life course perspective is statutory pension insurance. If one examines the pension entitlements of men and women, it can be seen that women in former West Germany only have half of the entitlements of men, with a figure of two thirds in former East Germany. This is the cumulative result of the persistent gender-specific inequalities in people's working lives.

Interruptions and limitations to working careers and low wages – i.e. those factors that mainly distinguish the employment paths of women from those of men – thus have direct consequences into people's retirement periods.

Older women living today are generally well provided for in old age (despite many years of interruptions in employment) by the persons they live with (spouses) or, as widows, by derived social insurance claims. Even though the credit for care work, which is more often carried out by women, in the statutory pension insurance system has been improved a number of times, there is still a lack of consistency. For example, credit for periods spent raising children by women has been improved for children born after 1992, but not for those born before 1992. There is also a significant imbalance in recognition for care work for those in need of nursing care as compared to care work for children. While West German women's own independent pension entitlements are increasing due to increased participation in employment, deteriorations in the financial security of women (and men) of future generations of pensioners can be observed in former East Germany.

In addition, a significant increase in poverty among old people is to be expected in the future. This is mainly due to three factors: Firstly, the reform measures of recent years in the areas of statutory pension insurance have led to a significant reduction in pension levels and have thus reduced the "value" of the credit for care work which plays a more significant role for women. Secondly, the increased inequality in employment incomes and other incomes will result in increased poverty in old age. Thirdly, changed lifestyles – i.e. increases in divorces, in numbers of those living alone and in single-parent families – are also playing a role here.

The prosperity of married women in old age continues to be very dependent on the pension entitlements of their husbands. Widow's pensions are "second-class pensions" as they are derived pensions. Statutory pension insurance does not award credit for the unpaid work done by women over the course of their lives, but is instead based on the husband's employment history, even after his death. In addition, the surviving dependants' pension limits widows' opportunities for self-realisation by marrying again, for example, as marrying again would result in the loss of the surviving dependants' pension.

The politically driven shifting of the old-age pension system in Germany from the so-called first pillar in favour of the so-called second and third pillars is strengthening inequality between men and women in old age. Women are less likely to have entitlements and have lower entitlements from employment-based pension insurance, the so-called second pillar, as compared to men. The reason for this is that this type

of pension insurance is more strongly dependent on the duration of employment and the amount of income earned than statutory pension insurance, and also that this type of pension system is concentrated on typical men's occupations and on larger companies where women are underrepresented. Furthermore, women are less likely to be able to provide for their own financial security in old age using private schemes (the so-called third pillar).

## 1.4 RECOMMENDATIONS FOR EQUALITY POLICY BY THE COMMISSION

### 1.4.1 Greater consistency necessary in life course policy

Despite the considerable progress made in recent years, our analysis shows that there is a lack of common guiding principles for equality policy in Germany and that measures for various life phases are not coordinated with each other. This lack of consistency leads to simultaneous incentives being created for very different life models or, alternately, means that support in one life phase is stopped in the next phase or that the support changes its focus. These inconsistencies, which can be compared to an unfinished building site with many cul-de-sacs, can be identified in many areas in Germany:

- ▶ Pre-school education is promoted as a central instrument in reducing social inequality, but at the same time there are attractive incentives created for socially disadvantaged families not to have their children participate in pre-school education.
- ▶ Women are being educated and trained better than before, but there are simultaneous incentives created that prevent them from adequately exploiting their potential in the employment system.
- ▶ The shortage of available labour caused by demographic changes is to be counteracted by longer working lives (raising the retirement age and abolishing of early retirement) and facilitating immigration, yet at the same time strong incentives are being created in tax, social and labour law that limit the labour supply of women.
- ▶ Childcare and flexible working hours are not guaranteed once the parental allowance period is over. Another issue: Those in employment can switch from full-time to part-time work, but do not have adequate rights to switch back to full-time work again later.
- ▶ Incentives that favour "single breadwinner" or "main breadwinner plus secondary earner" models are in place for married couples where one partner is a strong earner. On the other hand, the German Social Code Book SGB II provides for an expectation in the case of unemployment that all parties capable of work in a joint household of mutual dependants should work to the maximum extent possible. In this way, women whose employment prospects are severely limited by long years outside of employment are forced to go back to the job market.

In the light of these inconsistencies, it can be stated that a consistent policy approach is not recognisable in the area of equality policy in Germany with regard to life course perspective.

These inconsistencies are not surprising and are also typical of many other countries. Equality policy with regard to life course perspective touches on many different areas. Specialised policy areas that are responsible for certain "situations" or "life phases" have become established in heterogeneous modern societies. These individual policy areas have developed historically, and equality has not always had the same importance over the course of their development. This has resulted in inconsistencies and discontinuities at transition points. Integrated life course policy is made more difficult by the divisions between separate policy areas that are a result of specialisation and the internal logic of all systems that individuals pass through during their various life phases. Many examples of this can be identified. It can easily be recognised that childcare and the parental allowance have a direct impact on equality policy, and this view is shared by all bodies active in the relevant policy areas. Efficiency criteria dominate in other systems that are responsible for work and careers. It is difficult to communicate the idea that equality in decision-making bodies in industry or in research is not incompatible with efficiency and innovative potential, and that innovative societies are instead characterised by the fact that they make use of all potential talents available to them.

Equality is frequently regarded only as a cost factor. It is of course true that costs are associated with equal pay for women or the creation of a societal infrastructure for childcare and other nursing care work that has been carried out on an unpaid basis in households up to now. However, the great economic potential offered by the equality of the genders is overlooked here. So far, considerable investments made by society in the education and training of women have gone untapped or have been misdirected towards low-status work. At the same time, employment for women is creating new economic demand and is also resulting in new jobs, particularly in the services sector. The stability of the financing of the social and tax systems is improved when women become full contributors and are not merely claimants of derived entitlements. Companies become stronger and more flexible when all the potential available in society is tapped. The costs of inequality far exceed the costs of equality. For this reason, equality not only corresponds to the changed preferences of most men and women, but is also simultaneously an essential component of a modern innovation policy.

The experience of neighbouring countries, and in particular of the Netherlands and Belgium, where policy approaches to people's life course,



but also of the Scandinavian countries, where the services infrastructure is fully developed, should be considered when developing a consistent life course policy. It should be ensured here that an expansion of the measures for redistributing time and money over the course of people's lives in line with the commission's guiding principles does not lead to a further individualisation of risks, but is instead backed up by societal support for periods of care work and other duties that are important to society.

### 1.4.2 Core recommendations

Necessary here is a consistent equality policy over people's life courses that is based on the guiding principles of equal capabilities of men and women in the education, training and employment systems; this policy must also create space for unpaid care work that is societally important, for educational phases and for personal periods, and it must allow for choices between various preferences in various life phases and, at the same time, ensure that employment interruptions for societally recognised duties such as care work do not lead to disadvantages in the long run. Interventions and incentives in various phases of people's life courses should be coordinated so that they supplement each other in their cumulative effect. The recommendations from the commission that follow are based on these guiding principles, which have been set out in Section 1.2.

#### Law: Modernise role models and base the law on the guiding principle of equality in a consistent manner

The law should provide support for transitions in people's life courses and for the structuring of the necessary adjustment processes within domestic partnerships between men and women. The wide range requirements and opportunities for individual and partnership lifestyles that are not tied to role models require a flexible set of regulations that are oriented as directly as possible towards the functions and duties actually carried out by individuals, as has already been partially achieved in the case of child-raising with parental leave and child-raising periods for pension law purposes. In the area of family law, the potentials for achieving equality in partnerships and parenthood and for sharing parental care duties are to be strengthened. Labour, social and income tax law should be based on an employment model that achieves equal participation of men and women in employment. The necessity of housework and care work should be taken into account in the life courses of both men and women. However, the trust of older men and women who have structured their lives based on a role model established in society and in law should also be protected.

Specifically, the commission recommends:

- ▶ The legal marriage property system of accrual should be replaced by the model of a community property system, as is prevalent in Europe. As an initial step, it may be advisable to provide for community property as an optional marriage property system and to introduce obligatory instruction about the various marriage property systems as a part of the marriage procedure.
- ▶ In parental care law, it is important in terms of equality policy to achieve convergence in the care responsibility of fathers and mothers in the interest of children's well-being. The opportunities for joint parental custody should be strengthened in the course of the restructuring of the child custody rights of non-married fathers, taking into account the various forms of fatherhood outside of wedlock.
- ▶ Rules in social and income tax law that relate to marriage but which traditionally favour an asymmetric role model should be subjected to fundamental reform. Non-contributory joint spousal insurance in the statutory health insurance system should be replaced by independent social insurance, with society providing support during defined phases of care work – in a manner similar to child-raising periods stipulated in the pension insurance. The German system of taxation of spouses should be changed by applying the model of individual taxation that is common in Europe.
- ▶ Rules that prevent women in particular from entering into new domestic partnerships should be removed. The rules regarding joint households of mutual dependants in the law on basic social welfare need to be fundamentally revised from the perspective of equality law.
- ▶ Policy measures to support the labour market should be based on the employment model that has been modified in line with the commission's guiding principles. An orientation towards the role model of partnerships with asymmetric working patterns is to be avoided when specifying and applying the rules concerning work that a person can reasonably be expected to take up.
- ▶ Components of social and tax law that take into account care work should be further developed in a systematic manner to include nursing care; these components should be structured in such a way that adequate social security protection (including health insurance during care periods) is provided for care periods associated with a loss of income and that the accrual of independent old-age entitlements remains possible during the person's life course. In formulating legal provisions, equal opportunities for both genders in employment and in the provision of care should be taken into account, and transitions between employment and care duties should not be made more pronounced or more difficult.
- ▶ In maintenance law, suitable and equitable maintenance solutions should be found for long-standing marriages where the spouses (and, in particular, the wives) opted for a traditional distribution of duties

under different societal framework conditions. This challenge requires case-by-case decisions based on equitableness and is thus left to the courts. In old-age pension law, the surviving dependants' pension (currently) remains essential for older spouses because of this instrument's dependency on past life courses and employment paths.

### **Education and training: Avoid downward spirals and promote choices in all life phases**

The goal is to create equally good opportunities for men and women in the education and training system in order to prevent downward spirals with negative cumulative consequences. Men and women should be able to choose from the spectrum of education and training opportunities to an equal degree, should take advantage of early learning, and should also be able to improve their qualifications later in life. If educational opportunities are missed during childhood and youth, it must be possible to complete educational qualifications during adulthood. Disadvantages in the education and training system associated with parenthood are also to be avoided.

Specifically, the commission recommends:

- ▶ Gender mainstreaming and gender-conscious pedagogy should be systematically anchored across the board in education policy and in educational institutions in order to achieve equal educational opportunities. This includes long-term teaching of gender skills in the training of pedagogical specialists and the anchoring of gender training in career and training guidance. A more balanced gender ratio among pedagogical specialists (particularly with regard to men in the area of pre-primary education) is also necessary. In the case of male youths, and in particular those from educationally disadvantaged homes, it is recommended that pedagogical approaches be tried out which focus on non-academic strengths in informal educational processes and which lead to (later) school-leaving qualifications.
- ▶ In order to encourage people to take up gender-atypical occupations, action needs to be taken by employment agencies (which provide information and advice), companies (which present themselves in educational and training institutions at an early stage) and the media (which shape the public perception of various occupations). Concrete measures that exist as recommendations or are established as best practice (e.g. gender training for career and training guidance, programmes such as "Girls' Day" or the "Boys' Day" initiative that





will be introduced nationwide from 2011, “Neue Wege für Jungs (New paths for boys)” or the national “Komm, mach MINT (Go MINT)” campaign, mentoring programmes, and the updating of the presentation of occupations in information material) should be further developed and made permanent in order to alter society’s image of men and women in employment. Educational and training institutions and companies must be encouraged to participate in measures such as Girls’ Day or those organised as part of the MINT initiative.

- ▶ Combining training measures and family life must be made easier from the point of view of the commission. This includes programmes to support the implementation of the legally anchored entitlement to part-time training (and, in particular, administrative coordination of benefits) for mothers in vocational training, alongside low-threshold programmes for basic qualifications for mothers from a migrant background with poor qualifications and part-time programmes for studying at university. In addition, it must be ensured that maintenance support – such as that provided for by the German Federal Education and Training Assistance Act (BAföG) – is provided not only for full-time training but also for part-time training.
- ▶ The vocational training system, which is divided into a dual branch and a full-time school-based branch, should be unified and standardised with the goal of creating uniform nationwide standards in vocational training and promoting the professionalisation and improvement of the status of personal service occupations. This allows disadvantages for women, who are strongly represented in school-based training programmes, to be rectified.
- ▶ The German Federal Education and Training Assistance Act (BAföG) and the German Upgrading Training Assistance Act (AFBG) must be developed to create a framework for lifelong learning. The commission suggests that these instruments be expanded to create an “adult BAföG”, as developed by the commission on the financing of lifelong learning. This would serve to open up equal opportunities for men and women to obtain further qualifications, to complete school-level and vocational qualifications later in adulthood, and to rectify weaknesses in discontinuous employment and education paths. In addition, opportunities for spreading education or training phases throughout people’s life courses must be improved. In the area of support for training aimed at career progress, full-time school-based vocational training that is not recognised by the German Vocational Training Act or the German Craft Trades Act must be treated as “comparable”, as otherwise access would be denied to women in “women’s occupations” in the services sector. The removal of the previously existing age limits in the BAföG Act should make it possible to complete a bachelor’s course after dual/full-time school-based vocational training or a master’s course after a period of care

work or employment, and to do so under the same conditions that would apply if the course had been taken directly after completing secondary school.

### **Working life: Rectify misleading incentives, establish pay equality and career opportunities**

The priority must be to create the prerequisites for equal participation opportunities for men and women in their employment careers. To achieve this goal, the following central issues are to be approached:

- ▶ (Misguiding) incentives that encourage long employment interruptions and a fragmentation of typical women’s duties into mini-jobs with no long-term prospects must be removed.
- ▶ It should be ensured that employment interruptions or temporary reductions in working hours due to care work are reversible and that they do not lead to long-term disadvantages in terms of income and pension claims.
- ▶ The gender-specific pay gap must be reduced in order to implement the principle of pay equality for men and women.
- ▶ The percentage of women in management positions must be increased.

Specifically, the commission recommends:

- ▶ The commission strongly recommends that the special status of so-called marginal employment positions be abolished. Misguiding incentives are being created here for companies and employees to split up work that is subject to social insurance contributions into mini-jobs with poor future prospects. The decision to spend a longer period in marginal employment mainly affects women and is associated with long-term biographical disadvantages. Employees’ desires for a position that is subject to social insurance contributions cannot be realised and the employees cannot provide for their own independent social welfare. The poor prospects for career advancement mean that people’s potential for development is limited. In addition, the costs of these positions, and in particular the low degree of independent old-age pension contributions, are borne by all of society and are postponed into the future. For this reason, the goal must be to make all employment positions subject to social insurance contributions.
- ▶ The commission also recommends that existing incentives for (married) women to limit the overall extent to which they work be removed. As the different taxation levels in Income Tax Class Combination III/V also have negative impacts on the claiming of income replacement benefits such as unemployment benefit and parental allowance, the commission recommends that the Income Tax Class Combination III/V be replaced by the Income Tax Class Combination IV/IV with an adjustment factor. The

German system of taxation of spouses should be changed by applying the model of individual taxation that is common in Europe.

- ▶ Even outside of the mini-job sector, many employment positions are not sufficient to provide for one's own livelihood – let alone to build up sufficient entitlements to old-age pension – due to the low pay levels, even in the case of full-time positions. Numerous sectors dominated by women in the lower-income range are not covered by collective agreements. For this reason, the commission recommends that a legal minimum wage be introduced in order to ensure that households that do not have access to a traditional “family wage” can secure their livelihoods without recourse to complementary social assistance. Experience in the United Kingdom has shown that a minimum wage can reduce pay inequality in the lower-income sectors and that women in particular benefit from it. However, minimum wages only establish lower thresholds for pay. They do not ensure that qualified women will be paid in accordance with their qualifications. Where possible, social partners should make increased use of the potential of declarations that make wage agreements generally binding.
- ▶ Gender-equitable work evaluation methods are recommended to be used to help achieve pay equality. Recommended measures here include further regulations on the implementation of pay equality and the further development of user-friendly tools for measuring pay inequality in companies (such as “logib-D” and “eg-check.de”). To this end, private-sector companies and public-sector bodies should be obliged to evaluate pay equality in their operations and to act to rectify any inequalities identified. An explicit entitlement to equal pay for work of equal value must also be legally anchored in the German General Act on Equal Treatment (AGG).
- ▶ Public procurement law allows for consideration to be given to company measures on the equal treatment of men and women and on combining care work and employment in the awarding and structuring of public contracts on a federal and state level; this potential must be examined and exploited.
- ▶ Childcare services must be further expanded both in terms of quantity and quality. In many cases, the childcare services available still implicitly assume that mothers work part-time at the most. The operating hours of childcare facilities must cover the whole day, and, on the other hand, greater flexibility in the use of these hours must also be on offer in line with the flexible working requirements of mothers and fathers. If the targeted percentage of under-threes in childcare (35%) for 2013 is to be achieved, the pace of expansion of childcare services for under-threes up to now must be increased. It must also be evaluated whether the percentage of 35% corresponds to the actual demand or whether it may need to be adjusted. All-day schools offering affordable food at lunchtime and after-school supervision for homework are necessary along with day-care facilities and other leisure facilities in order to facilitate the working arrangements that most parents desire.
- ▶ Nursing care in the family requires not only more flexible employment arrangements for care providers, but also better coordination between care in the family and professional care. This includes intermediate forms of care between home/outpatient care and inpatient care. In the context of home care being favoured by the law and by the majority of those affected, and the associated physical and psychological strains on care providers, who are generally women, gender-equitable social law must structure entitlements in such a way that participation risks for care providers are avoided or reduced as much as possible. Of major importance is support from companies for employees who are care providers, something which has often been lacking in the past. The commission calls upon companies to take the needs of care providers into account to a greater extent than in the past as part of a personnel policy that is oriented towards life events.
- ▶ The commission recommends that parental allowance be further developed. Particularly advisable would be an extension of the so-called partner months, allowing both parents to claim parental allowance at the same time and to combine it with part-time work. This would support equitable arrangements for the distribution of employment and care work in the family.
- ▶ Companies should implement measures that allow for equal opportunities in the career paths of men and women in these companies. It must be ensured that the introduction of potentially family-friendly measures is not counteracted by new forms of management by objectives and a new culture of “round-the-clock availability”. By implementing personnel management that is oriented towards life events, companies can help improve the performance and dedication of all employees for the period that they are with the company. Targeted personnel development measures for various life phases and life events for employees are necessary here, such as further training during parental leave and nursing care periods or training programmes for re-entry into work. Training that deals with changes in the understanding of the roles of men and women should also be provided for all hierarchical levels in companies, with the aim of promoting images of men, women and family life that are adapted for the 21st century. Public bodies, in particular, need to train their superiors in and make them aware of gender-equal staff evaluation in order to avoid disadvantages for women who work part-time or interrupt their employment with regard to promotion. The promotion of equality should be taken into account in evaluating the performance of managers.
- ▶ Given that the percentage of women in top management positions in Germany has been stagnating for years, the commission recommends



that a gender quota for supervisory boards be introduced. Effective sanctions should be in place if quota rules are not adhered to after a sufficient transitional period. As a minimum quota rule for supervisory boards is not sufficient alone, the commission urgently recommends to legislators that models for minimum quota rules for women in management positions also be examined. Quotas can be implemented for a limited period until a critical mass of the underrepresented gender in management positions is achieved in each case. Joint projects to improve opportunities for obtaining management positions could be promoted in small companies. Best practice examples from other companies could help to increase the acceptance of quota rules.

- ▶ Questionable from an equality perspective is the existence of the statuses of so-called “fictitious requirement for assistance” and “no requirement for assistance” in joint households of mutual dependants as per the German Social Code Book SGB II. Female partners (or, statistically less often, male partners) who are in partnerships with employed persons and who are not regarded as requiring assistance because of the consideration of the male partner’s (or female partner’s) income or wealth have little access to support benefits as per SGB II or SGB III in law and in reality. In addition, the expansion of the obligation to provide for the children of the non-married partner limits the opportunities for single-parent benefit claimants to live with a new partner. The rules concerning joint households of mutual dependants should be reformed in such a way that future job prospects and future domestic partnerships are not hindered.
- ▶ Better protection is provided for employment interruptions and reductions in working hours for those raising children than in the case of those providing nursing care. The commission recommends that this be corrected by improving the protection provided to nursing care providers. With the aim of modifying the rigid age structures here and the different life courses of men and women, nursing care work carried out by people above the legal retirement age should result in improved pension entitlements. The extent to which the German Nursing Care Leave Act (PflegeZG) helps achieve the goal of combining career and nursing care in the family should be evaluated. To this end, gender-specific data – e.g. concerning the claiming of nursing care periods and the associated problems – should be gathered at regular intervals.

### **How people’s time is spent: Allow for flexibility and strengthen different forms of working**

The goal is to allow both genders to integrate other forms of societally necessary and valuable work (housework, care work, voluntary work, neighbourhood assistance) into their everyday lives and into their overall life courses alongside employment. This requirement particularly relates to the period in which families are started, and also concerns the mid-life

phase where assistance and nursing care work is needed for older family members, relatives and friends; in all likelihood, the needs for this type of work will increase in the future.

Specifically, the commission recommends:

- ▶ The opportunities for employees to reduce their working hours and to return again to a full-time position must be improved. These options should be included in an act on working time options that should provide for opportunities to return to full-time or close to full-time positions in cases where a switch to part-time work is desired. In the precise context of the combination of family life and management positions for both genders, a shorter full-time model with about 30 to 35 hours per week would represent a contribution to improving gender equality. The social partners and companies should develop family-friendly “working hour option models” that take into account the needs of employees and the particular features of specific sectors and companies.
- ▶ Both genders must be taught at an appropriate age in school and in vocational training how to estimate time requirements in certain life situations and how to evaluate the short-, medium- and long-term consequences here. On the one hand, this includes strengthening the ability to reflect upon and protect themselves against time demands by paid work that are not compatible with the needs for care work in certain life phases; on the other hand, their ability to develop negotiation strategies with relevant parties (domestic partner, employer, kindergarten, school, authorities, etc.) should also be developed.
- ▶ In order to give men and women more control over their own time in their everyday lives and in their overall life courses, a new sense of time is ultimately necessary among local decision-makers. Combining work and family life successfully in everyday life in various life phases depends directly on effective coordination between various bodies and other factors that determine the pace of family life in people’s living environments and on the strengthening of local social networks.
- ▶ It is recommended that multi-generational houses that act as hubs for communications and services be included in the range of obligatory local infrastructure at a municipal level. Stronger contacts and mutual help between generations in such houses and also outside of the immediate contexts of family and relatives could help to reduce the imbalance between parents in the working phase, who do not have enough time, and retired people, who may have time on their hands. The potentials for self-realisation can be improved with the support of professional and voluntary services. Multi-generational houses can also act as a low-threshold point of contact for men and women who are affected by unemployment and who require tailored support in their everyday life and with re-entry into work.



► In order to promote voluntary work effectively, initiatives are required that encourage and support voluntary work at an early stage in people's life courses. Concentrating on individual life phases is not sufficient here. Additional structures must be created that support the continuation and resumption of voluntary work during people's lives and, in doing so, take into account the different opportunities and interests of men and women.

#### **Old age: Improve the credit awarded for nursing care work and ensure old-age benefits provide protection against poverty**

People's lifestyles have become much more varied in Germany on the whole. For the foreseeable future, people's lives in old age will also continue to change. Older men and women will more frequently encounter the problem that they do not have sufficient support from a partner or family and that they will be more dependent than at present on external support and on their own independent financial security, which

will also have to support them in old age. Against this background, the issue of the financial security of men and women in old age arises from an equality perspective, on the one hand. On the other hand, issues of nursing care in old age are of particular gender policy relevance.

Specifically, the commission recommends:

► Taking into account rules on the protection of legitimate expectation in the statutory pension insurance system for those close to retirement age, derived forms of security should be dismantled for younger women (and men) and, to replace them, independent security entitlements should be established. For this reason, the commission recommends that voluntary splitting of pension entitlements, which has been possible since the pension reform in 2001, should be made the norm. This follows on from the commission's recommendation that the marriage property system of community property be introduced as the legal marriage property system.





- ▶ The disadvantages associated with care work for those in need of nursing care as compared to care work for children in statutory pension insurance are not justified. Better credit for nursing care periods in terms of pension entitlements – also for unemployed and for care providers who have already reached retirement age – is urgently needed in the context of demographic change. For this reason, the commission recommends that the credit awarded for nursing care work in pension law be improved and that the imbalance in the treatment of care work for children and nursing care be rectified. Analogous rules for pension-increasing credit for periods of child-raising and nursing care should also be created for those groups of people who are not regular salaried employees. This system of credit should be independent of the employment status and age of the care provider, in line with the additive credit for child-raising periods.
- ▶ The main influencing factors for the establishment of pension entitlements that provide protection against poverty lie in the employment system. A central factor in the fight against poverty and social exclusion in old age is thus the ending of the support for marginal part-time employment and the provision of support for lowly paid forms of employment by means of minimum wages. Extending the working lives of men and women can only reduce poverty in old age if the state of the labour market continues to improve and labour is used in a more sustainable manner than is the case in many areas and jobs today.
- ▶ Social redistribution mechanisms in old-age benefits are possible mainly as part of social insurance systems. For this reason, a strong so-called first pillar in old-age security is of central importance from an equality perspective. Owing to changes in and the erosion of “the standard work contract”, the accrual of pension entitlements that will provide security against poverty can no longer be based on the assumption that employees will be in continuous, full-time employment. Instead, social insurance protection must be established for men and women from forms of employment and from life phases that were previously not subject to insurance contributions and credits. The obligation to contribute to statutory pension insurance needs to be expanded so that everybody can build up independent old-age pension entitlements to cover at least the socio-cultural minimum (currently defined by the amount of basic entitlements in old age and in the case of reduced earning capacity) over their life course. Support from redistributive instruments that provide for a certain minimum are recommended in the case of people with particularly weak insurance contribution records. This would help not only to avoid poverty in old age for women (and, increasingly, for men) with discontinuous employment biographies, but could also improve general awareness of the long-term risks and costs of these types of employment biographies. It would make

“free-rider” behaviour – i.e. the deliberate exploitation of social benefits and avoidance of contributions to one’s own old-age entitlements – more difficult and would improve acceptance for collective support for those who are nonetheless in need of assistance. For this reason, the commission strongly recommends to the government that it tackle quickly the problems in the pension system that have not been solved up to now.

- ▶ The commission recommends research-based further development of the “gender accounting” approach described in this report, along with the establishment of an empirical basis for same, in order to clearly identify the cumulative effects of the different biographic paths of men and women. The results of gender accounting can also be used to identify and tackle gender-specific injustices within the social benefits system.

## 1.5 SUMMARY

Necessary is a consistent equality policy over people’s life courses that is based on the guiding principles of equal capabilities of men and women in the education, training and employment systems; this policy must also create space for unpaid care work that is societally important, for educational phases and for personal periods, and it must allow for choices between various preferences in various life phases and, at the same time, ensure that employment interruptions for societally recognised duties such as care work do not lead to disadvantages in the long run.

This means that men and women need the same real – and not just formal – choices in structuring their lives. Policy that aims to create real equality of opportunities must prevent misleading incentives and ensure that decisions do not have short-term or long-term negative consequences for certain population or gender.

Despite the considerable progress made in recent years, the commission comes to the conclusion that there is a lack of common guiding principles for equality policy in Germany and that measures for various life phases and various transitions in people’s life courses are not coordinated with each other. This lack of consistency leads to simultaneous incentives being created for very different life models or, alternately, means that support in one life phase is stopped in the next phase or that the support changes its focus.

For example, women are being educated and trained better than before, but there are strong incentives in place at the same time that prevent women from adequately exploiting their potential in the labour market. Not only does this make it more difficult for them to provide for their own livelihood independently while they are of a working age, but also makes

it more difficult to build up an old-age pension that will protect them against poverty. In the commission's opinion, the strong support for mini-jobs, the low pay levels that are particularly common in Germany for many typical women's jobs, and the low numbers of women in management positions are all particularly undesirable for the future.

For this reason, the commission recommends that childcare be expanded and that the particular incentives for marginal employment be removed from labour, social and tax law. In the light of the high percentage of lowly paid women, the commission regards a minimum wage as essential. At the same time, the commission recommends a gender quota for supervisory boards, minimum quota rules for women in management positions (at least temporarily), and improved further training opportunities in adulthood.

Equality demands a more flexible working world with greater options regarding working hours. Employees should have more options for how they can alter their working hours or interrupt their employment. The commission recommends that these options be anchored in a new act dealing with choices of working hours.

Finally, gender-specific discrimination must be rectified. The commission has made recommendations here which include gender-conscious pedagogy and the rectification of discrimination in the payment, further training and promotion of women in public and private companies.

Actual equality cannot be created by new legal and institutional frameworks alone. What is required is a new way of thinking in the world of work and in the development of a business culture that is based on the guiding principle of employees with (potential) care obligations and other time requirements in their daily lives over their life courses and that values corresponding courses of employment and life of men and women.

The priority in equality policy is to support new patterns of life for men and women. At the same time, equality policy is also an essential component of modern innovation policy. After all, companies become stronger and more flexible when all the potential available in society is tapped. At the same time, employment for women results not only in new economic demand, but also creates new jobs, particularly in the services sector. In addition, the social welfare systems are stabilised when women become full contributors and do not only claim derived entitlements. The costs of the current inequality far exceed the costs of a forward-looking equality policy.



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