



Federal Ministry for
Family Affairs, Senior Citizens,
Women and Youth



The Road to Equal Pay for Women and Men

Facts, Causes, Measures



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Point of departure: Introduction

In Germany, women still earn an average 20 percent less than men. Why is that the case? What are the causes of the gap? And what can be done to address them? This dossier is designed to help answer these questions. Station one sets out what the gender pay gap represents, what it signals and how it is determined. It also provides an overview of who earns what in Germany.

Station two addresses the bigger issues: Why is the gender pay gap in Germany so consistently high? What are the causes of the gender pay gap? How can companies implement the principle of equal pay for equal work or work of equal value? **Equal pay for women and men performing the same work or work of equal value means equal opportunity and is thus a gender equality must—not just in Germany, but everywhere in Europe.** This dossier also looks at the situation in Europe and highlights the different methodologies and approaches taken by neighbouring EU member states on the road to more-equal pay for women and men.

Station three brings the focus back to Germany: What initiatives and laws are in place to promote equal pay for women and men? These include the Transparency in Wage Structures Act, the Act to Improve Wages and Working Conditions in Long-term Care and Parental Allowance, and non-legislative initiatives such as Girls' and Boys' Days. All of these measures aim to improve equal opportunity between women and men, be it choosing a course of academic study or a career, practicing a profession, or finding ways to improve reconciliation of work and family life.

All of the measures in place promote a society in which girls and boys, women and men can choose the path they wish to take on the road to securing an independent livelihood free of prejudices and restrictive gender stereotypes. They are designed to achieve a society in which—irrespective of gender—equal pay is actually paid for equal work and work of equal value.



Station one: The status quo

In Germany, the difference in pay between women and men is almost the highest in Europe. A look at the facts and figures.

1.1 Who earns what in Germany?

Women and men in Germany have the same rights, they perform well in their jobs—but they don't earn the same pay. The gender pay gap—the gap between how much women earn compared with men—has persisted for many years, at over 20 percent. In Germany, it reached exactly 20 percent for the first time in 2019 (Statistisches Bundesamt 2020a). That means: women received an average gross hourly wage of €17.72, while men received €22.16 per hour. **In other words, for every hour worked, women earned an average €4.44 less.**

Gender pay gap differences between eastern and western Germany

In 2019, the gender pay gap in eastern Germany was seven percent. In western Germany and in Berlin it was 21 percent. There are many and diverse reasons for this significant gap:

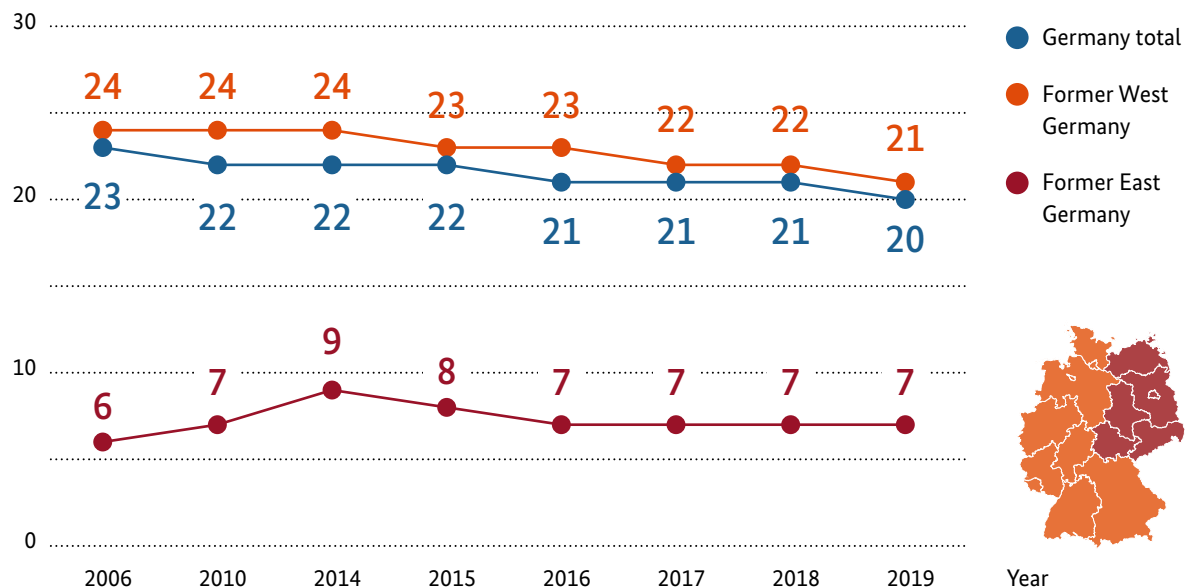
- In eastern Germany, more women tend to work full-time.

- Women in eastern Germany also work in higher-paid occupations in industry and manufacturing production.
- Men in eastern Germany tend to work in lower-paid service sector jobs.
- In private industry, more women in eastern Germany hold management positions.

Added to this comes the fact that, on average, wages and salaries in eastern Germany are lower than average earnings in the west. In the east, both women and men earn an average 17 percent less. This is partly due to the fact that companies in eastern Germany are structured differently to those in the west:

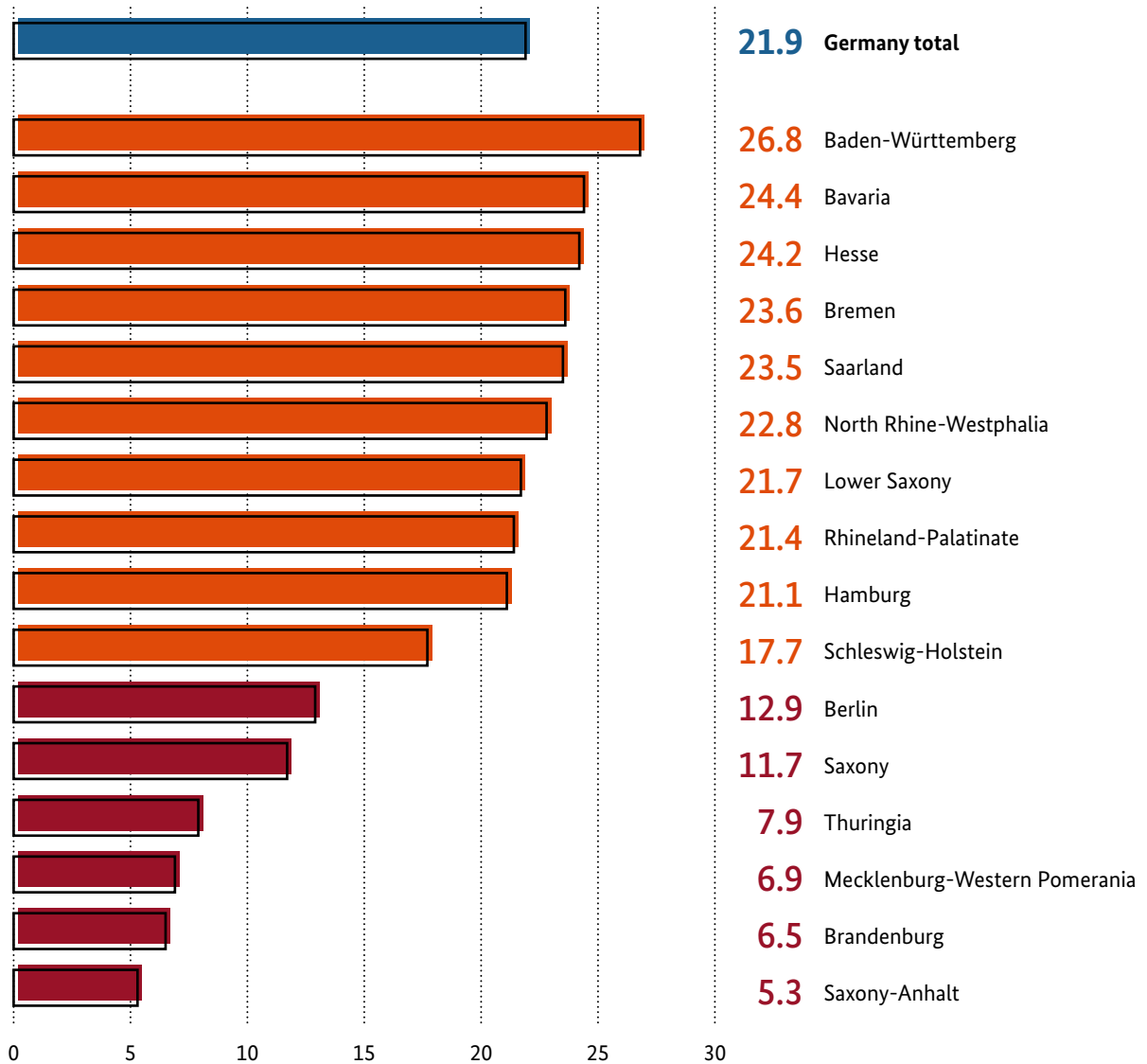
- There are more small and medium-sized businesses, and fewer large corporations.
- Fewer companies are bound by collective wage agreements.
- There are fewer jobs in industry and more in the services sector.

Gender pay gap trends over time



The gender pay gap reached exactly 20 percent for the first time in 2019. Figures in percent. Source: Statistisches Bundesamt 2020a

The gender pay gap in the German Länder



*In western Germany, the gender pay gap is especially high.
Gender pay gap by German Länder, in descending order—unadjusted gender pay gap in percent. Source: Beck 2018*

Because both the sector and the size of the company are key influencing factors in the wages and salaries paid to women and men, the gender pay gap is also influenced by the economic structure in place. This means that the diverse structural and labour market characteristics in eastern Germany result in a lower gender pay gap.

The top end of the scale is dominated by western German states. With the exception of Schleswig-

Holstein, the gender pay gap in those states is especially high at 20 percent and more. The gap is much more narrow in the eastern German states, at between five and eleven percent.

Despite the differences between east and west, and between the individual German states, it must be noted that women earn less than men on average in all German states. In recent years, very little has changed in this regard.

1.2 The gender pay gap: A gender equality indicator

How much time do women and men spend with their children or caring for their parents? What jobs do they do? What are their chances of promotion? These and other issues have at least an indirect influence on the amount women earn compared to men.

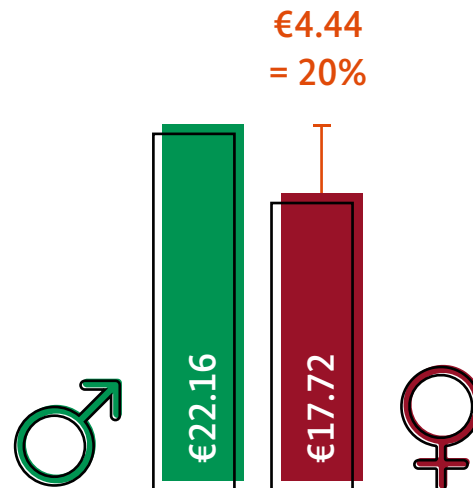
The gender pay gap serves as a gender equality indicator in working life. It reflects a wide range of problems and disadvantages that women face in connection with their employment. These include obstacles along their chosen career path and insufficient opportunities for improved reconciliation of work and family life. They also include traditional role models which limit women's scope as regards career choices and make it difficult for them to return to work following a family phase. All of these factors have an indirect effect on the gender pay gap. There are additional aspects which influence pay directly, such as the (low) value attached to typical women's occupations. This is why the gender pay gap is often used to address pay inequality between women and men.

1.2.1 Equal Pay from an economic perspective

The gender pay gap is based on an economic definition of what constitutes equal pay. It assumes that employees differ in productivity and thus earn different amounts. Productivity in turn is reliant on what is known as human capital: What qualifications do employees possess and what training have they received? How efficient are they and how willing to work? How much experience do they have? **The idea behind the traditional, economic definition of equal pay is that if women and men possess the same human capital and are thus equally productive, they receive the same pay.**

Differences in pay between women and men are thus based on the fact that female and male employees have invested differently in their human capital. This is why they work at different levels of productivity. In addition, from an economic perspective, the decisions made by women and men in choosing certain occupations and sectors are seen as rational.

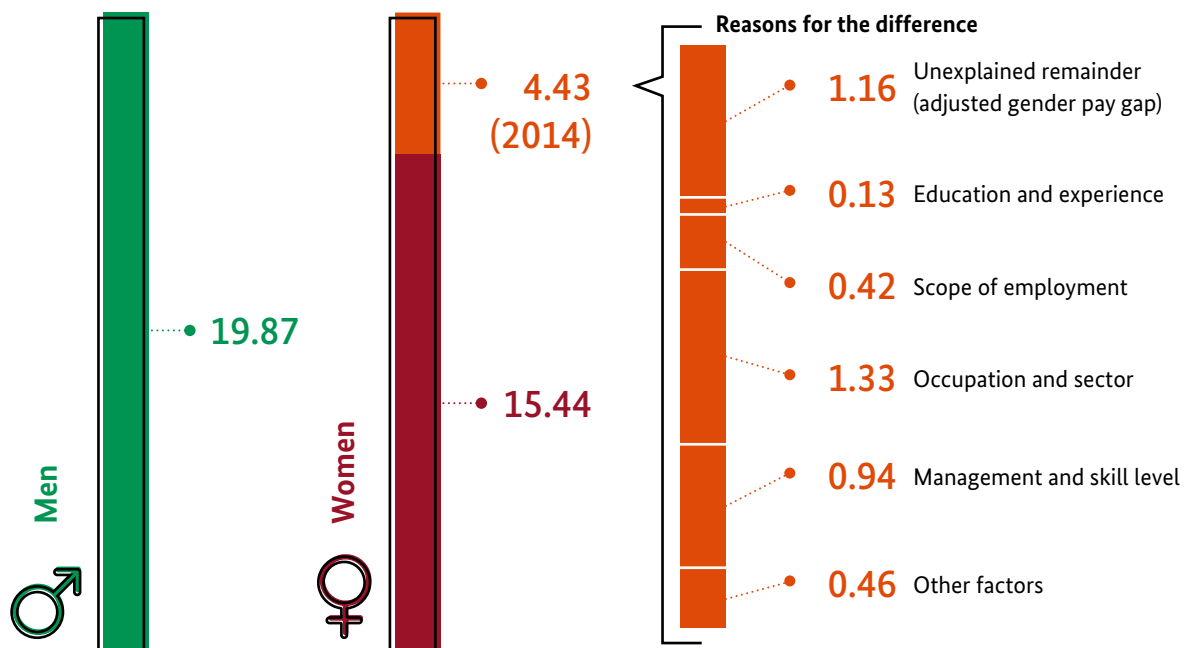
Calculating the gender pay gap



In 2019, women earned 20 percent less on average than men. The gender pay gap was thus 20 percent.

1. The average gross hourly pay of women and men in workplaces with more than ten employees was determined in a survey. In 2019 this was €17.72 for women and €22.16 for men.
2. The difference between these averages is €4.44.
3. The gender pay gap is calculated as this difference as a percentage of men's average gross hourly pay. For 2019, this amounts to 20 percent.

Differences in women's and men's pay 2014



In 2014, the adjusted gender pay gap amounted to 5.8 percent. Gross hourly wage (€). Source: Statistisches Bundesamt 2017a

What do “adjusted” and “unadjusted” mean?

The gender pay gap of 20 percent is described as the unadjusted gender pay gap. This is used to compare the average earnings of women and men in general. It is not the same as the adjusted gender pay gap.

The adjusted gender pay gap shows what the gap between women's and men's pay would be if all other pay-related conditions were the same. These include qualifications, job performed and profession, position, professional experience, hours worked and the sector in which they are employed. Using statistical methodologies, the originally calculated gender pay gap is “adjusted” to take account of these influencing factors. The remainder is the adjusted gender pay gap.

What the adjusted gender pay gap shows

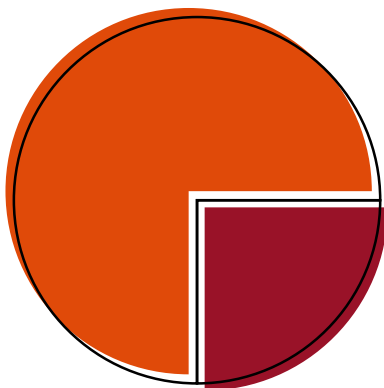
In 2014, the adjusted gender pay gap amounted to 5.8 percent (Finke at al. 2017). The Federal Statistical Office was able to attribute €3.28 of the €4.43 gross average earnings per hour that men earned more than women at that time to differences between women and men in the above-mentioned income-determining characteristics (see figure). The remaining difference in earnings of around €1.16 per hour could not be accounted for and constitutes the “unexplained remainder”.

Which characteristics had the greatest influence on the differing wages and salaries of women and men? That more women than men work in low-paid jobs and sectors accounted for €1.33 of the total pay gap of €4.43. A further 94 cents could be attributed to the hierarchical position held. Part-time and marginal employment contributed 42 cents to the pay gap.

Statistics cannot explain everything

Let us assume that two employees meet the same set of requirements—or offer the same human capital—for their chosen profession. Both the man and the woman are similarly qualified, have similar professional experience, work in similar positions, and so on. The adjusted gender pay gap shows how their earnings would differ nonetheless. Based on the average for 2014, their earnings would differ by almost six percent. Because statistics are unable to explain that difference, the adjusted gender pay gap is also described as the **unexplained portion of the gender pay gap**.

The components of the gender pay gap are



- Explained portion of gender pay gap (unadjusted gender pay gap)
- Unexplained portion of gender pay gap (adjusted gender pay gap)

Why the gender pay gap is often misinterpreted

In statistics, “explained” means “can be attributed to”. “Explained” does not mean “justified” or “free of discrimination”. That is why disadvantage can play a role in the explained portion of the gender pay gap. If, for example, a large part of the difference is “explained” in that women are less likely to work in management positions, it can mean that they are disadvantaged in terms of access to management positions. And in cases where women working part-time can explain part of the gender pay gap, it cannot be taken to mean that part-time work is always adequately paid. Or that women always opt for a part-time work model voluntarily, without having to consider existing or non-existing infrastructures, social expectations and stereotypical roles.

Conversely: The 5.8 percent adjusted gender pay gap for 2014 does not automatically mean 5.8 percent discrimination. It could be that income-related characteristics which are not discriminatory were not included in the calculation. Their contribution to the pay gap would be hidden in the unexplained portion.

The gender pay gap reflects a wide range of problems and disadvantages that women face in the course of their working lives. It is a key indicator for equal opportunity between women and men—both in working life in general and especially where pay inequality is concerned—even though other factors must be taken into account to obtain a complete picture. **The gender pay gap illustrates how the differing employment biographies of women and men impact their incomes, and the approaches that are needed to implement and enforce equal treatment of and equal opportunity for women and men in the working world.**

1.2.2 Pay inequality from a legal perspective

The legal basis for equal pay prescribes that women and men must receive the same pay for the same work or work of equal value. A male bus driver must therefore earn the same as a female bus driver, a female nurse the same as a male nurse. There should be no question about that—at least if they work in the same company or organisation. But is it acceptable if a female nurse earns less than a male car mechanic? If a male apprentice butcher earns more than a female shop assistant working on the meat counter? These are all entirely different jobs. But they could be of equal value and must then be paid the same—at least if all employees work in the same company or organisation.

Equal or of equal value—what does that mean?

Female and male employees perform equal work if they carry out an identical or similar activity at different workplaces or successively at the same workplace (Section 4 of the Transparency in Wage Structures Act). They can stand in for or replace one another as, for example, male and female car mechanics at a car repair garage, or male and female paediatricians in a hospital.

Whether a woman and a man perform work of equal value is not always readily apparent at first glance. It must be carefully assessed. **Work of equal value means that the activities are different in substance, but in terms of the requirements and level of effort involved—meaning their “value”—they must be seen and evaluated as the same.**

According to the Transparency in Wage Structures Act, this is the case if a woman and a man find themselves in a comparable situation given all the factors. The factors take in the requirements for the activities performed, independent of the person performing them and of their personal performance. The following factors are assessed: Are the educational and training requirements of a similar level? What other requirements do the activities call for? What are the requirements as regards communication and cooperation? What responsibilities do the employees assume? What physical strain and mental stress do they endure in the workplace? In some cases, the requirements can differ. What matters is that they are of an equal level when looked at as a whole. And if they are, then the activities are of equal value.



These jobs are equal.

| | | |
|--------------------------------|---|------------------------------|
| Female car mechanic | = | Male car mechanic |
| Female paediatrician | = | Male paediatrician |
| Female accounts clerk | = | Male accounts clerk |
| Female human resources manager | = | Male human resources manager |
| Female nursery school teacher | = | Male nursery school teacher |

Are these jobs of equal value?

| | | |
|--------------------------------|---|-------------------------|
| Female nurse | ? | Male car mechanic |
| Female paediatrician | ? | Male surgeon |
| Female accounts clerk | ? | Male sales assistant |
| Female human resources manager | ? | Male operations manager |
| Female nursery school teacher | ? | Male programmer |

Discrimination takes many forms

Pay discrimination comes in many different guises. If, for example, a woman is paid less than a male colleague who performs the same work, it could be seen as **direct pay discrimination** on grounds of gender. Direct discrimination is also deemed to occur when a woman earns less on grounds of pregnancy or motherhood. This is expressly laid down in Section 3 (3) of the Transparency in Wage Structures Act. Other examples of direct pay discrimination include: A female employee earns €200 less when taking over and performing the same duties as her male predecessor. A female cook is paid according to scale following a collective wage agreement, while a male cook whom she works alongside receives a €300 supplement with no further justification.

Employees can also experience pay discrimination if the lower wage or salary has no direct link with gender. For example, because different wages and salaries are based on different regulations, they can appear neutral at first glance. But if those provisions result in greater disadvantages for one gender than the other, it can be construed as **indirect pay discrimination**. For example, if part-time employees are excluded from a company pension scheme and significantly more women than men work part-time, the exclusion especially affects women. Another example: The largely female kitchen and cleaning staff receive no performance bonus, although all other employees in the same company do.

In contrast to direct discrimination, indirect pay discrimination on grounds of gender can be justified and thus be permissible (Section 3 (3) of the Transparency in Wage Structures Act). This is the case when the prevailing provisions can be objectively justified by a legitimate aim and the means chosen are both appropriate and necessary to



Legal ban on pay discrimination

Since 2017 the Transparency in Wage Structures Act has provided the legal basis in governing equal pay. It prohibits employers from exercising gender-based discrimination, either directly or indirectly, in relation to pay. This was the case even before the Transparency in Wage Structures Act was introduced and continues to apply under the General Equal Treatment Act. In the case of Germany, the Federal Labour Court decided back in 1955 that the German Basic Law also contains the principle of equal pay for women and men. The principle is binding not only for all employers in Germany. Parties to collective wage agreements must also observe it. In Europe, the principle of equal pay has applied since 1957 and is now included in Article 157 of the Treaty on the Functioning of the European Union. It is substantiated in Gender Directive 2006/54/EC.

achieve that aim. For example, the European Court of Justice has ruled that it is a legitimate objective to reward professional experience if it enables or motivates employees to do a better job.










As opposed to the legal perspective, which is based on the principle of equal pay for equal work or work of equal value, the economic perspective uses the gender pay gap as an indicator instead. Both perspectives describe, albeit it from different angles, the continued unequal treatment of women and men when it comes to pay. They both highlight the fact that equal pay for women and men has yet to be achieved, and that further action is needed.

Pay inequality adds up

Behind all the averages, percentage points and principles, there are individuals who suffer financial loss. Those losses are felt month on month, add up over the course of a year and result in a significant amount over a working lifetime spanning 30 years. **If in a simplified calculation, a pay gap of “only” six percent is assumed, female accounts clerks receive an average €244 less per month than their male counterparts just because**

they are women. Over the course of a year, they earn an average €3,000 less and almost €88,000 gross less in earnings after 30 years of working life. The impact that gap has can be even more noticeable on their bank accounts. Namely when, under the German payroll tax deduction system, married couples give up tax class IV and instead combine tax classes III and V. What happens is that the tax deductions from the earnings of the lower-earning partner are then proportionally higher.

How the pay gap adds up over the course of working

| |  Cook |  Nurse |  Accounts clerk |
|---|--|---|---|
| Gross monthly pay of men in full-time employment |  €2,108 |  €3,196 |  €4,068 |
| Gross monthly pay of women in full-time employment |  €1,982 |  €3,004 |  €3,824 |
| 6 percent pay gap | | | |
| per month | €126.48 | €191.76 | €244.08 |
| per year | €1,517.76 | €2,301.12 | €2,928.96 |
| in 30 years' employment | €45,532.80 | €69,033.60 | €87,868.80 |

Although they all have the same occupation, women and men have earned very different amounts at the end of their working lives.

Source: Statistisches Bundesamt 2017b, own calculations

2

Station two: Causes of the gap

The so-called unadjusted gender pay gap shows the difference in the average gross earnings of women and men. It is also an indicator of the lack of equal opportunity for women and men in the labour market. To understand how the pay gap occurs, it helps to look at the three causes behind it: horizontal and vertical gender segregation, distribution of paid work and unpaid care work, and the lack of transparency and risk of discrimination in determining pay.

2.1 Horizontal and vertical gender segregation

To detect the causes behind the gender pay gap, there are two aspects that must be considered. First: In the labour market, women and men are distributed across different sectors and occupations. Labour market research calls this **horizontal segregation**. Second: In companies and organisations, women and men hold different positions and work at different hierarchical levels. This is known as **vertical segregation**. As different fields of activity and occupations are often related within a hierarchical structure, the two dimensions are interlinked. So-called “female” occupations in people-related and social services jobs, such as nurse and nursery school teacher, are largely associated with low pay and poor promotion and development opportunities. By way of contrast, in engineering, a typical “male” occupation, engineers earn comparatively more on average and have better career options. Horizontal and vertical segregation is one reason for the gender pay gap, which in 2014 amounted to an average €4.43 per hour. €1.33 of that amount was explained by the fact that women work in different sectors to men (Statistisches Bundesamt 2017a).

In the labour market, there are many reasons why horizontal and vertical gender segregation occurs. First and foremost, the various career entry phases and also the family phase drive segregation in the labour market (BMFSFJ 2011). Initially, career entry and the initial vocational education and training system are decisive milestones. The path that leads to girls and boys preferring certain occupations is

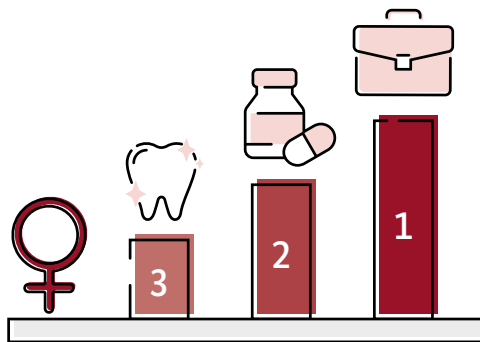


What is a typical “female” and a typical “male” occupation?

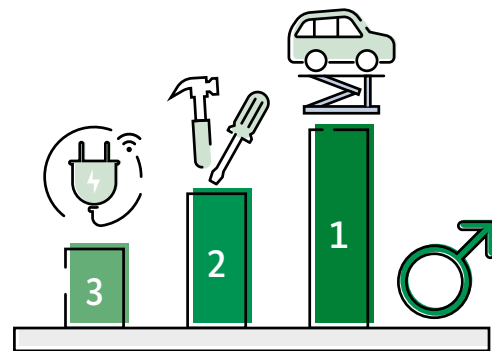
If the proportion of women in a given occupation is more than 70 percent, it is known as a typically “female” occupation. Conversely, more than 70 percent of employees in typically “male” occupations are men. However, those designations give no indication of whether women or men are generally better suited to a given occupation or if that occupation should remain “female” or “male”. Where proportions are more balanced, meaning if the proportion of one gender is below 70 percent or above 30 percent, it is known as a “mixed-gender occupation”.

set in childhood and early adolescence. Families, childcare facilities and schools—in their capacities as places of socialisation—all play a key role, as do peers. Familiar gender stereotypes influence career choice: It is assumed that men are more suited to technical and crafts and trades occupations, while women are better in teaching and care-related work. Terms such as “gender-specific division of work” and “male” and “female” work also give the impression that a job or an activity is linked to a specific gender. But in actual fact, there is no job or activity that can only be performed by a single gender.

2 Station two: Causes of the gap



Young women mainly choose apprenticeships in commercial occupations. Other particularly popular professions are dental/medical assistant, sales assistant or hairdresser.



Young men are more likely to choose occupations such as automotive mechatronics, electronics or another technical occupation. These are followed by commercial occupations.

Most popular training occupations for women 2018

| | |
|--|-------|
| Office clerk/ Office management assistant | 10.6% |
| Medical assistant | 8.4% |
| Dental assistant | 6.5% |
| Industrial clerk | 6.0% |
| Retail sales clerk | 5.9% |
| Sales assistant | 4.3% |
| Hairdresser | 3.4% |
| Wholesale and exports clerk | 2.9% |
| Administrative assistant | 2.8% |
| Hotel management expert | 2.6% |

Source: Statistisches Bundesamt 2020b

Most popular training occupations for men 2018

| | |
|--|------|
| Automotive mechatronics | 7.6% |
| Industrial mechanic | 4.8% |
| Electrician/electronics technician | 4.6% |
| Systems technician for sanitary, heating and air conditioning systems | 4.0% |
| IT specialist | 3.9% |
| Retail sales clerk | 3.2% |
| Mechatronics technician | 3.0% |
| Warehousing logistics specialist | 2.7% |
| Wholesale trade and exports clerk | 2.6% |
| Industrial electrician | 2.5% |

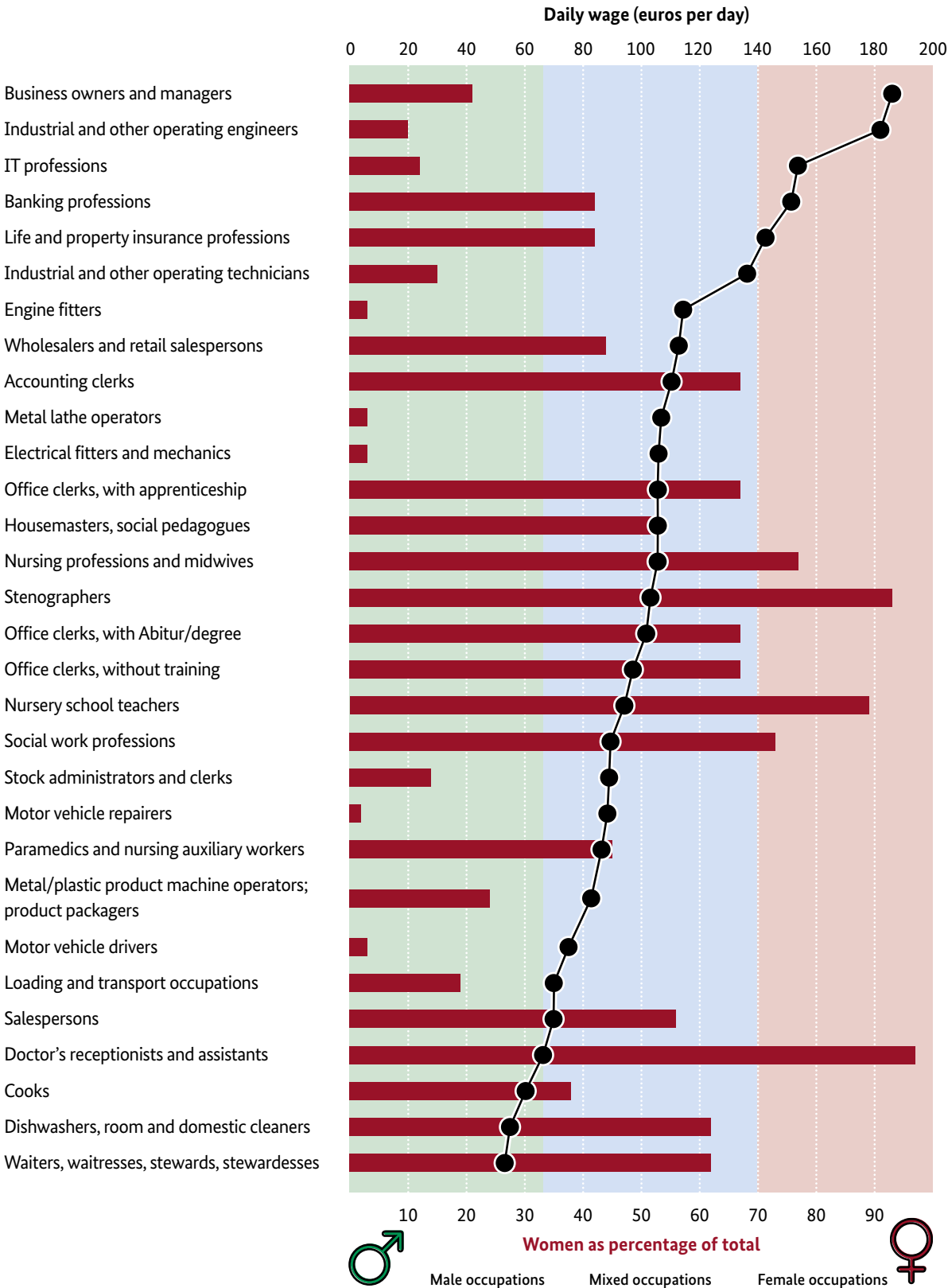
Source: Statistisches Bundesamt 2020b

Because the occupations chosen by women are generally more poorly paid than those chosen by men, women are paid less and have poorer earning opportunities in the course of their working lives. The outcomes from their career choices continue throughout women's working lives, ending in lower pensions. Added to this comes the fact that in many cases, women and men not only choose occupations that are designated as "female" or "male"; they also choose their occupations from a relatively small range of training occupations and significantly limit their career opportunities as a result. While more than half of young women focus on just ten training occupa-

tions, more than half of young men opt for over 20.

The median wage is the wage that lies exactly at the midpoint between the highest and lowest wages in the overall range. That means that there are just as many people with a higher as with a lower wage. Occupations in which large numbers of women work have lower median wages than those in which few women work. The five occupations with the highest median wages are without exception "male" occupations: entrepreneur, engineer, data processing specialists and bank and insurance experts (Wrohlich/Zucco 2017).

Share of women and median wage in the 30 most popular occupations



In occupations in which large numbers of women work, the median wage is less than in occupations in which few women work. The figures are based only on full-time employees. The various occupations are grouped according to KldB 88. Share of women in percent, daily wage (median) in euros per day. Source: Own calculations based on SIAB data for 2014

Gender stereotypes continue to have an impact

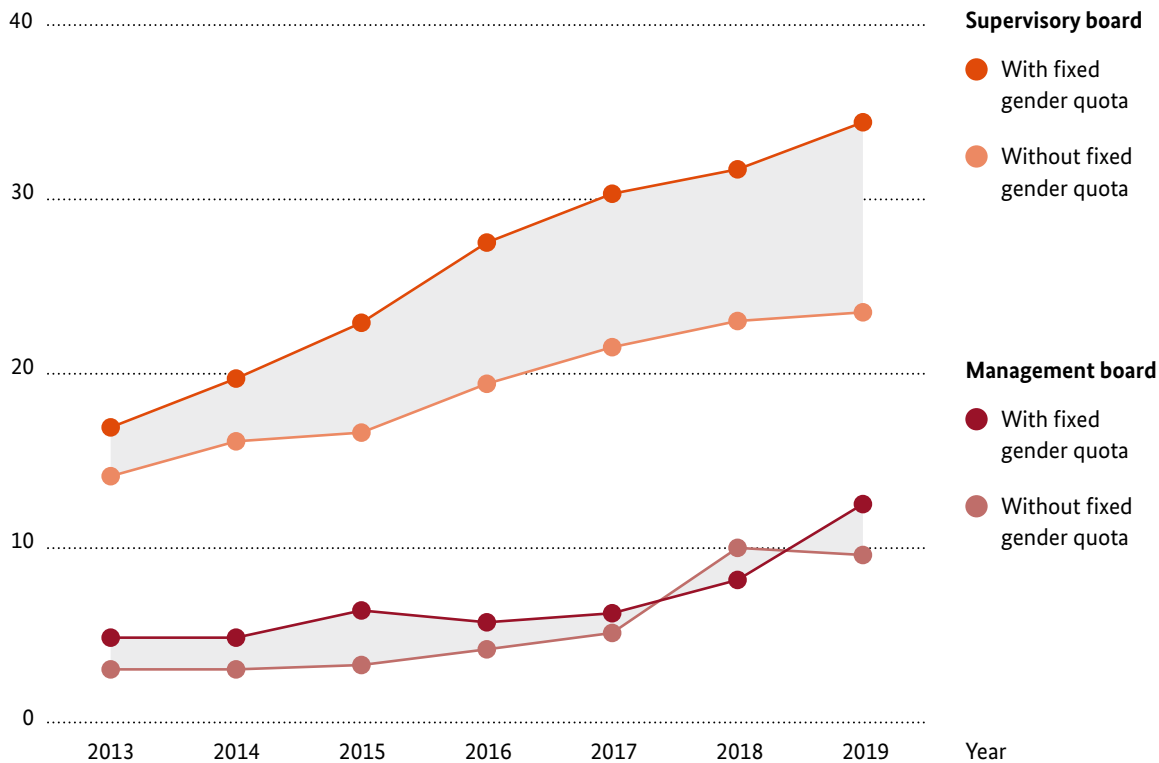
The gender stereotypes that shape young people's career choices continue to have an impact in later working life. As a result, some occupations and positions remain inaccessible for women, and others also for men. Employee selection and development is often based on the "similar to me" principle: In personnel decisions, applicants are deemed unsuitable for a certain occupation or position because they are not sufficiently similar to the person being replaced. They do not meet the existing profile. Another example of how gender shapes career development can be seen in the fact that girls perform better than boys at school. They more frequently attain their higher education certificate (Abitur) and are less likely to leave school without qualifications. But when entering the training and labour market, they still have less of a chance to use their qualifications to secure better career and income opportunities.

This is why, even today, the share of women in management and decision-making positions remains extremely low. In Germany, this phenomenon—known as the glass ceiling—in which hardly any women are represented above a certain hierarchical level is particularly pronounced. In 2018, only just under one in three managers were women (Statistisches Bundesamt 2020d). Compared with other countries in the EU, Germany only ranks among the lower third. In the private sector in particular, the share of women in management positions remains far below the share of women employees. Little has changed here in recent years. From 1995 to 2015, the share of women in management positions in private industry rose by a mere ten percentage points, to 30 percent (Holst/Friedrich 2017).

Overall, women in eastern Germany are better represented in management positions than those in the west (Kohat/Möller 2019). In 2018, the share of women managers in eastern Germany was around six percentage points higher than that in western Germany—both in top management and in second-tier management, and also in small businesses. A pay gap also exists between eastern and western Germany when it comes to manager salaries. Management positions in western Germany are better paid on average than those in the east. Also, the difference in pay between female and male managers in the east is somewhat lower. This is yet another reason for the comparatively low gender pay gap in the eastern German states.

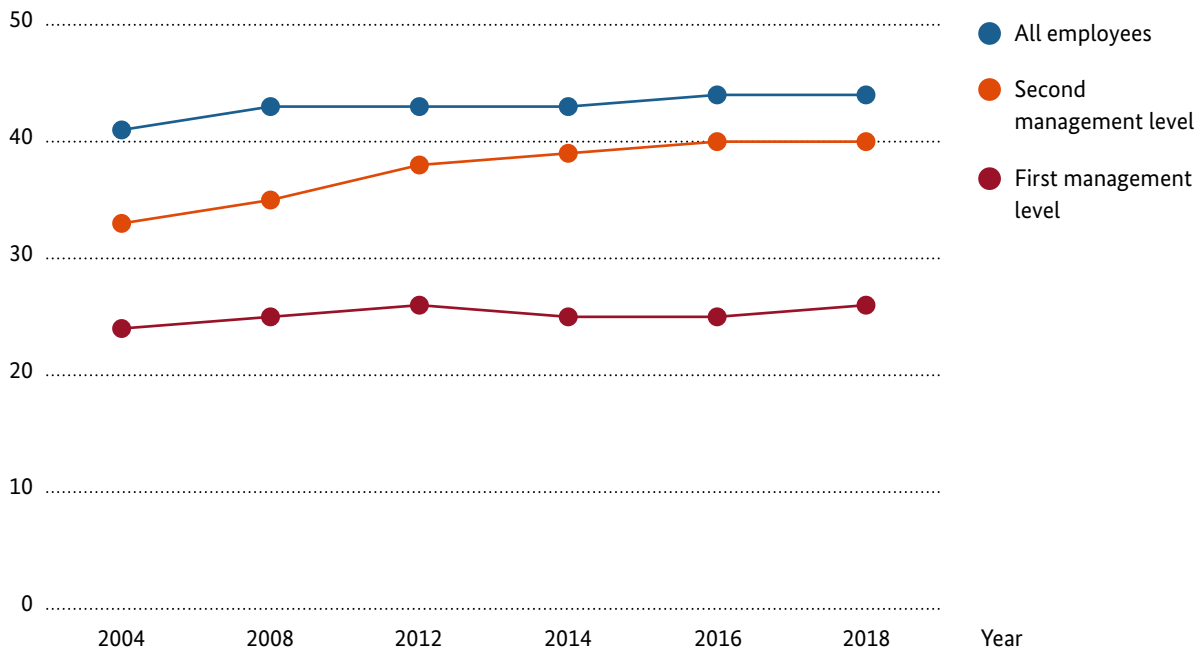
To increase the share of women in management positions, since 2016 a fixed gender quota of 30 percent for new appointments to supervisory boards has applied in some 100 listed and parity co-determined companies. Its impact can be seen in the figures for 2019: The share of women on the supervisory boards of companies covered by the gender quota was 34.9 percent. And the share of women on management boards in this group rose to a greater extent compared with the average of all DAX-listed companies. In 2019, it rose to 10.3 percent—compared with 8.5 percent in 2018 (Kirsch/Wrohlich 2020). **The hoped-for transfer effect (known as the spill-over effect) to companies not covered by the statutory quota rule has not occurred to date—the share of women across all management levels remains low, particularly at management board level.** At the end of 2019, in just under 39.6 percent of the top 200 companies in terms of sales, and excluding the financial sector, there was at least one woman on the management board. The share of women across all management board members was 10.4 percent. In turn, that means that 90 percent of all management board members in the top 200 companies in terms of sales are men.

Trends in the share of women in the top 200



Recently, companies to which the gender quota applies for their supervisory boards had more women members on their management boards. Figures in percent. Source: Kirsch/Wrohlich 2020

Women remain under-represented at management level



The share of women in first- and second-tier management is significantly lower than the share of women across all employees. Figures in percent. Source: IAB-Betriebspanel 2004, 2008, 2012, 2014, 2016 and 2018, weighted figures; no data available for 2006 and 2010

Horizontal and vertical gender segregation are closely linked. For example, when it comes to management positions, women are most often represented in the healthcare and social services, nursery school and teaching sectors. However, here too, their share in management positions is significantly below their share across employees in these fields. In addition, management positions

in “female” occupations also have a hierarchical relationship to management positions in “male” occupations. In so-called “female” occupations, there are usually fewer opportunities for promotion, incomes are generally lower on average and women tend to have less decision-making authority.

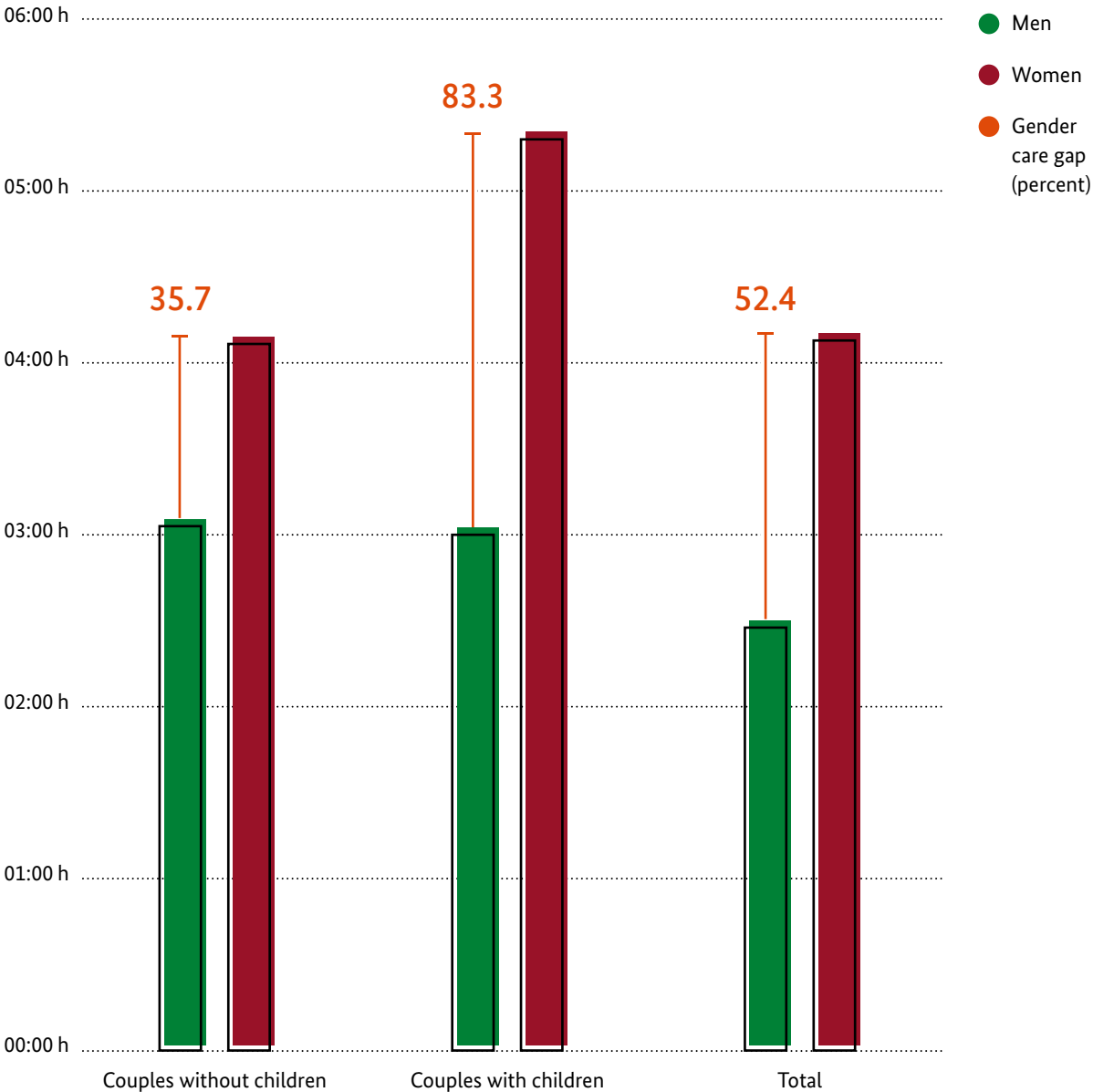
2.2 Women perform the greater share of unpaid care work

In Germany, paid work and unpaid care work are often shared unequally between women and men. Women perform more unpaid work in the home, look after and bring up the children, and/or care for relatives who are elderly or sick. On a daily average, men perform 2 hours and 46 minutes of unpaid care work. This compares with the 4 hours and 13 minutes performed by women each day (Klünder 2017). This is shown in analyses conducted by the Federal Statistical Office.

To illustrate the inequity in the division of care work between women and men, a new indicator—the **gender care gap**—was developed for use in the Federal Government’s Second Gender Equality Report (BMFSFJ 2017). The indicator shows the difference between women and men in assuming unpaid care work. That difference amounts to 87 minutes per day, resulting in a gender care gap of 52.4 percent. The term “unpaid care work” is a broad-based definition and takes in all work performed in the household and garden, in caring for and looking after both children and adults, voluntary work, and unpaid help provided in other households.

That private care work is divided unequally is partly due to the fact that in many families, stereotypical ideals regarding the roles of women and men prevail, and that by tradition women tend to assume responsibility for care work. This in turn impacts on the number of hours that women work. It is practically impossible for them to work full-time, look after small children and take care of relatives who are elderly or sick. At the same time, what is seen as “normal employment arrangements”—meaning indefinite employment, with a full-time job that is subject to social insurance and a collective wage agreement—forms the basis for the statutory pension system and unemployment insurance. All other types of employment are seen as atypical and result in lesser social security provision.

Time spent by women and men in performing unpaid care work each day



For couples with children, the gender care gap is especially high at over 80 percent. Gender care gap (percent). Source: Klünder 2017

Equal sharing of unpaid care work

Starting a family, on the other hand, can still seriously impact women's employment biographies due to the associated stereotypical division of work. A new baby needs to be cared for—and that takes time. Women are far more likely to take a break from work when starting a family and usually for a far longer period than men. This is often due to personal choice. The extent to which an employer is family-friendly also plays an important role (Allensbach 2015). From a family perspective, the model whereby the mother initially looks after the child is a rational decision and one not connected with gender-specific stereotypes. Because women earn less than men on average, their loss of earnings has less of an impact on the family income compared with the loss of what is usually the higher income earned by men. This intensifies both the cause and the effect of the gender pay gap.

However, since 2007, parental leave and the Parental Allowance that mothers and fathers receive to support them during a break from work have paved the way for more equitable division of family-related work and to changes in family life. But even so, women still work fewer hours than men. While only three percent of fathers made use of childrearing allowance in the period up to 2007, more than 40 percent of fathers now receive Parental Allowance and either take a career break or reduce their working hours to look after their children. **The share of mothers who receive Parental Allowance, however, remains at almost 98 percent** (Statistisches Bundesamt 2020e). More and more fathers are applying for Parental Allowance Plus and claim Parental Allowance for longer than the minimum two months—known as partner months. In the case of Parental Allowance Plus, the average time

fathers receive it is 8.9 months (Statistisches Bundesamt 2020c). This also has a positive effect on equal sharing of childcare work: some 82 percent of parents who claim the partner bonus split childcare work roughly in half between them (Deutscher Bundestag 2018).

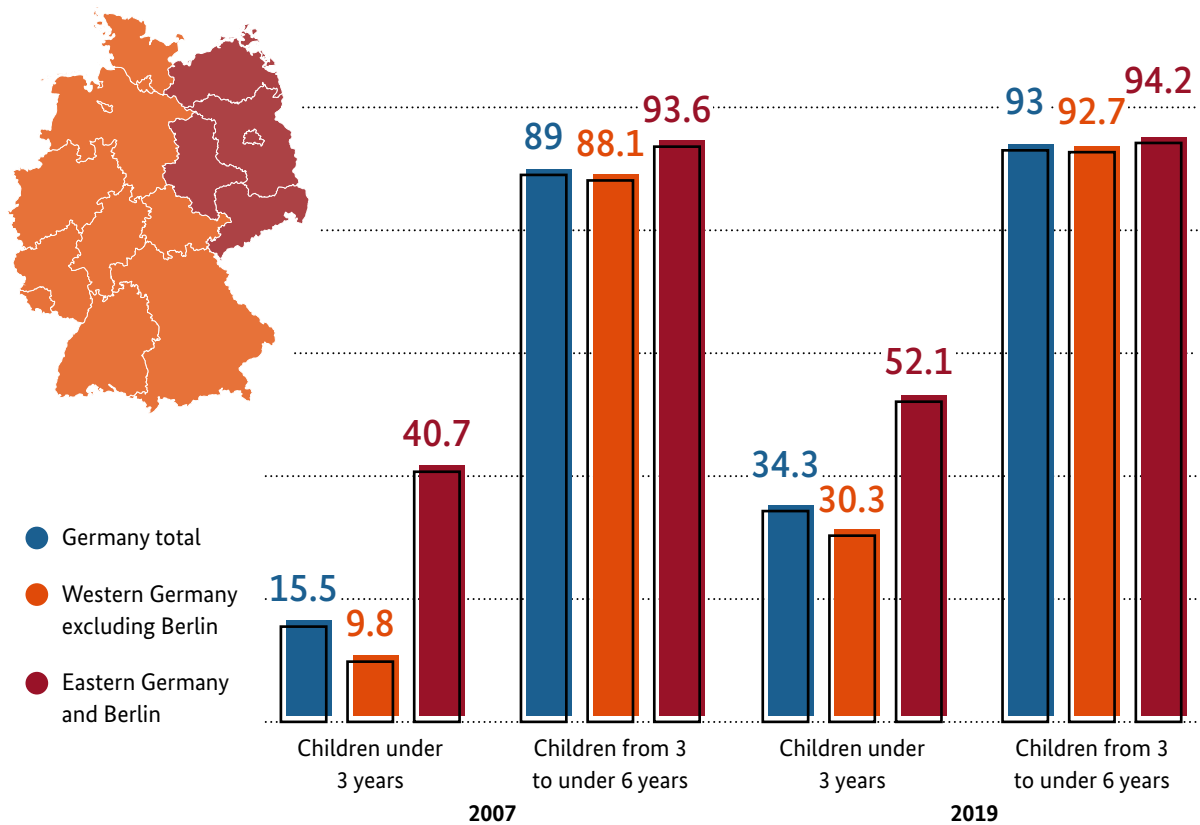
Irrespective of the length of time fathers claim parental allowance, it has a lasting effect. Studies show that fathers on parental leave spend more time with their child and that the effect it has continues beyond the time they receive Parental Allowance. When fathers assume a large share of unpaid care work, it allows mothers to remain in the workforce and stay in touch with their jobs. Various studies have shown that Parental Allowance leads to shorter breaks away from work for mothers and actually promotes mothers being able to work at all (Wrohlich/Berger et al. 2012). In addition, Parental Allowance also has a broader impact on society overall and changes people's perceptions regarding the responsibilities and gender-related roles assigned to mothers and fathers. It is not only fathers themselves who want to spend more time with their children: two-thirds of people in Germany expect fathers to look after their small children, play an active role in family life and support their wives or partners (Allensbach 2019).

Reconciling work and family life

Women in Germany often interrupt their careers because for a long time there were either no or not enough childcare places available. Since 2007, to enable better reconciliation of work and family life, the number of childcare places has been greatly increased. And since August 2013, parents have had a legal right to a childcare place for children aged one or older. These measures have resulted in a significant increase in the number

of children in childcare, especially those under three. Whereas in 2007 only 15.5 percent of children under three visited a childcare facility in Germany, the proportion doubled to 34.3 percent in 2019. But there are still significant differences between the figures in western and eastern Germany: in the east, more than half of children under three visit a day-care facility or are cared for by childminders. This compares with only 30 percent in the west.

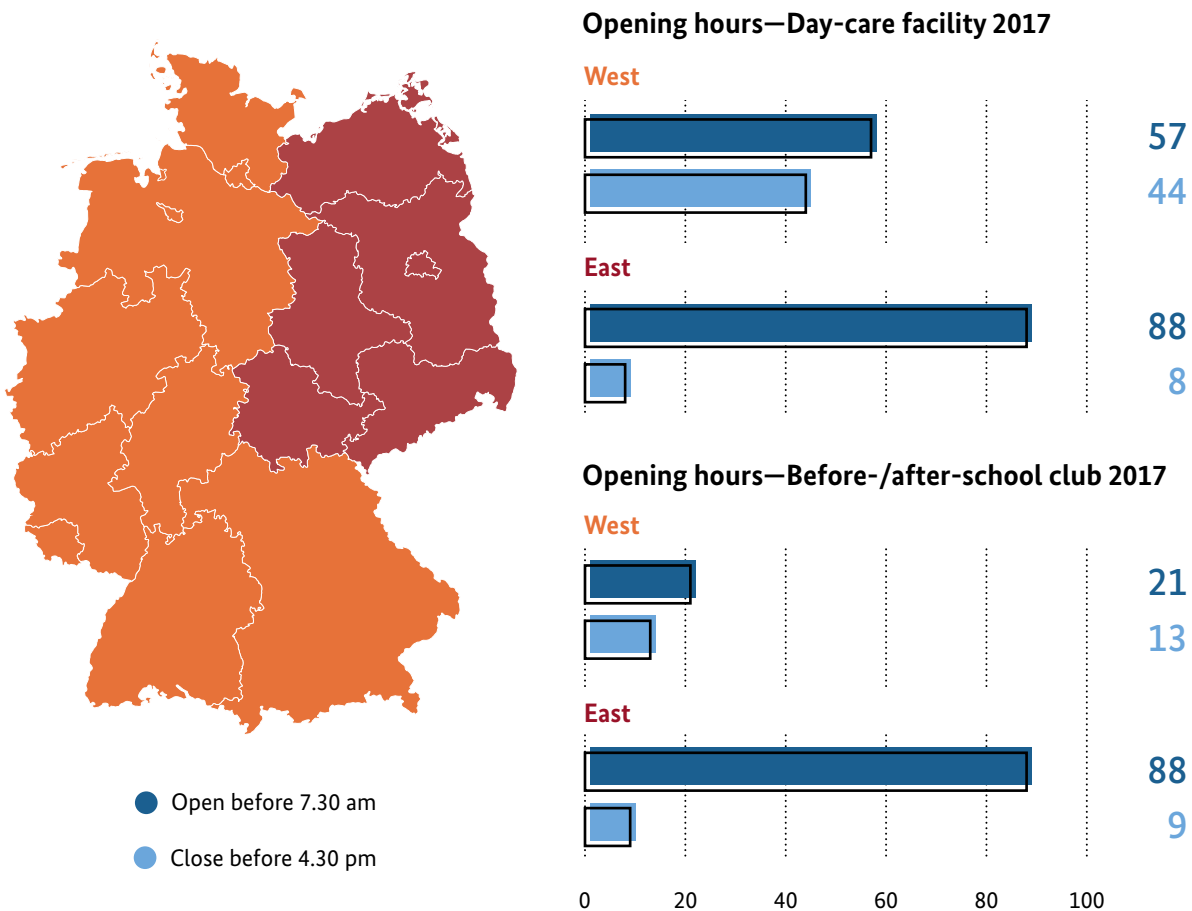
Children in day-care facilities and with state-subsidised childminders



In eastern Germany, twice as many children under three visit a day-care facility or are cared for by childminders
 Figures in percent. Source: Statistisches Bundesamt 2019a

2 Station two: Causes of the gap

Opening times—day-care facilities and before-/after-school clubs



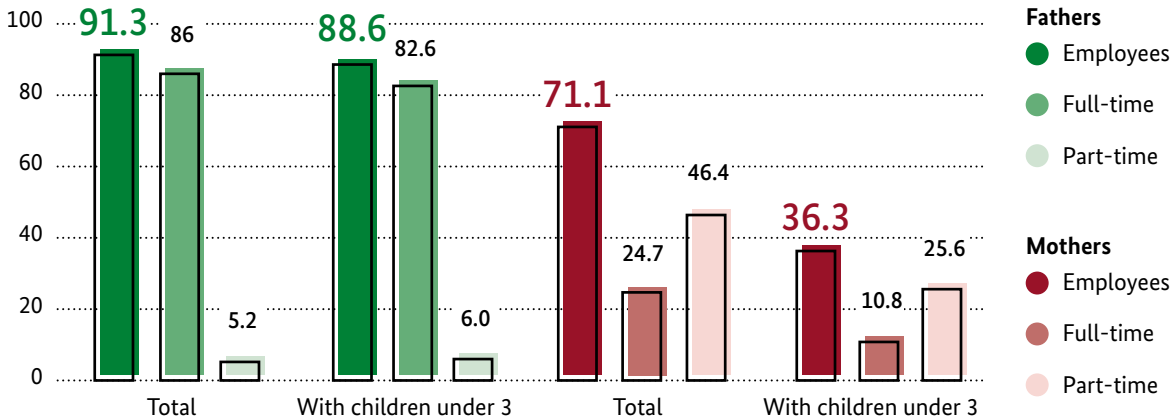
Only 57 percent of day-care facilities in western Germany open before 7.30 am, and 44 percent close earlier than 4.30 pm. Figures in percent. Source: Federal Ministry for Family Affairs, Senior Citizens, Women and Youth 2018

Despite the improved childcare provisions and their take-up by parents, parents in many urban areas and regions are still unable to find a childcare place for their child—or only find a half-day place that is not compatible with their own working hours. In many cases, nursery schools, day-care facilities and schools are only open in the mornings. Reconciling work and family life when both parents work full-time or near full-time is just as difficult as ever before.

Although the child day-care services are being expanded, in many cities and regions the demand for child day care still exceeds the day-care quota. Thus, many parents still cannot find a day care which is in line with their individual working hours. In order for both parents to work full-time or near to full-time, the quantity and quality of

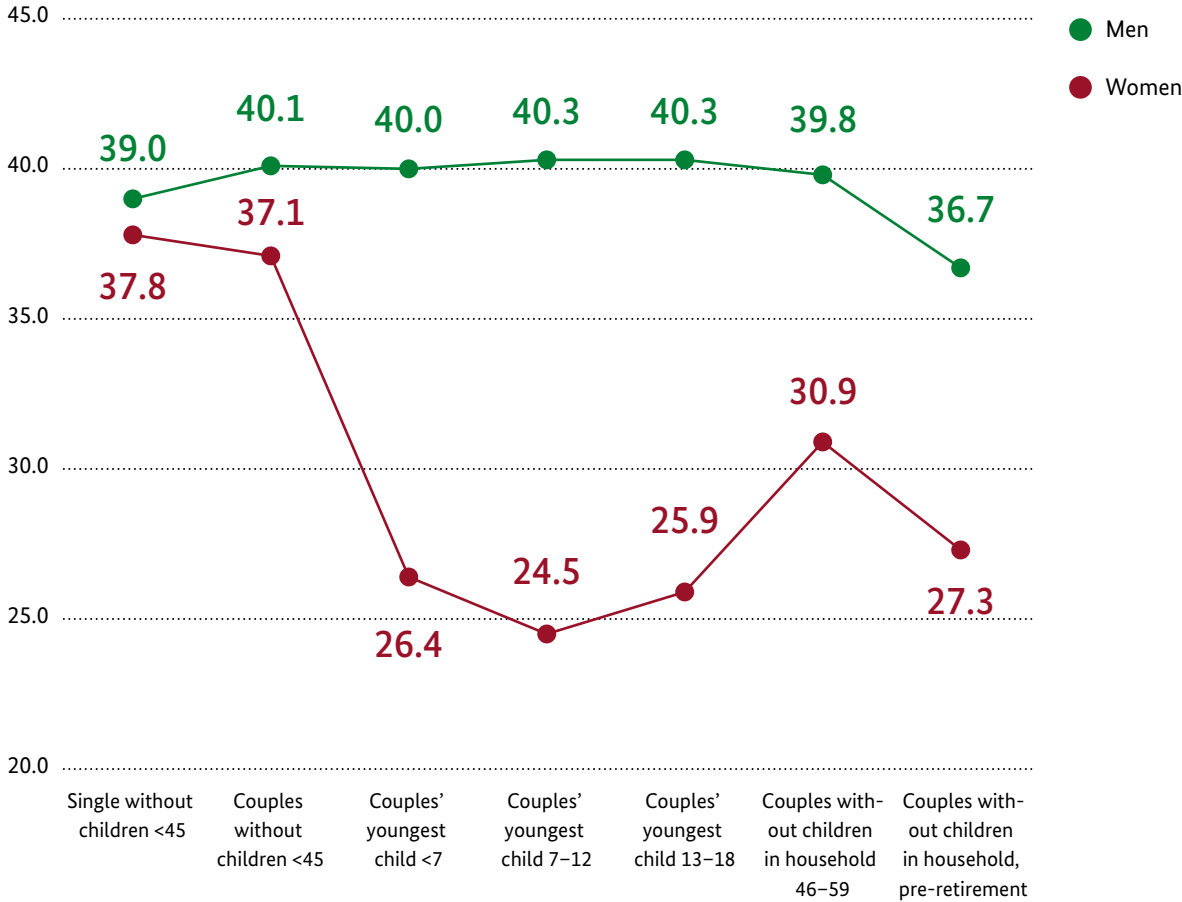
child day care must be expanded and adapted to the times in which parents are most in need of day-care services. Thus, still today, the reconciliation of work and family life is often difficult. This is the reason why many parents in Germany still opt for the full-time/part-time model. This means one parent—usually the father—works full-time, while the other—usually the mother—takes up part-time work. In more than half (53.6 percent) of two-parent families with a child under three in 2018, only the father went to work. In some 35 percent of two-parent families with small children, both parents were employed. **Both parents working full-time remains the exception**, especially if the children are very young. **Only nine percent of two-parent families with a child under three choose the dual full-time model.**

Mothers and fathers with children by type of employment and with children under three



At just over 36 percent, women with children under the age of three are much less likely than men to be gainfully employed and mostly work part-time. Figures in percent. Source: Statistisches Bundesamt 2019b

Working hours of women and men in differing phases of life (2016)*



After the birth of a child, the number of hours worked by mothers and fathers tends to vary. Hours usually worked per week, dependent employees. Source: Based on scientific use files from the Labour Force Survey (2016), own analyses

Men work longer hours than women in all phases of life. The difference is comparatively low between those who live alone. Only when they have a partner and a joint household with children do the working hours of women and men differ significantly. While for men, the number of hours they work remains constant across all phases of life, this is not the case for women. Mothers with children under seven work more than 13 hours less than fathers in the same phase of life. The number of hours worked by these women is thus still almost ten hours less than those of childless women with partners.

In other words: While prior to the birth of their first child, most employed women and men work full-time, the proportion of parents where both mother and father work full-time after the birth of their first child drops significantly. The result is that the working hours of employed fathers amount to an average 42 hours per week. Mothers only work an average 25 hours per week.

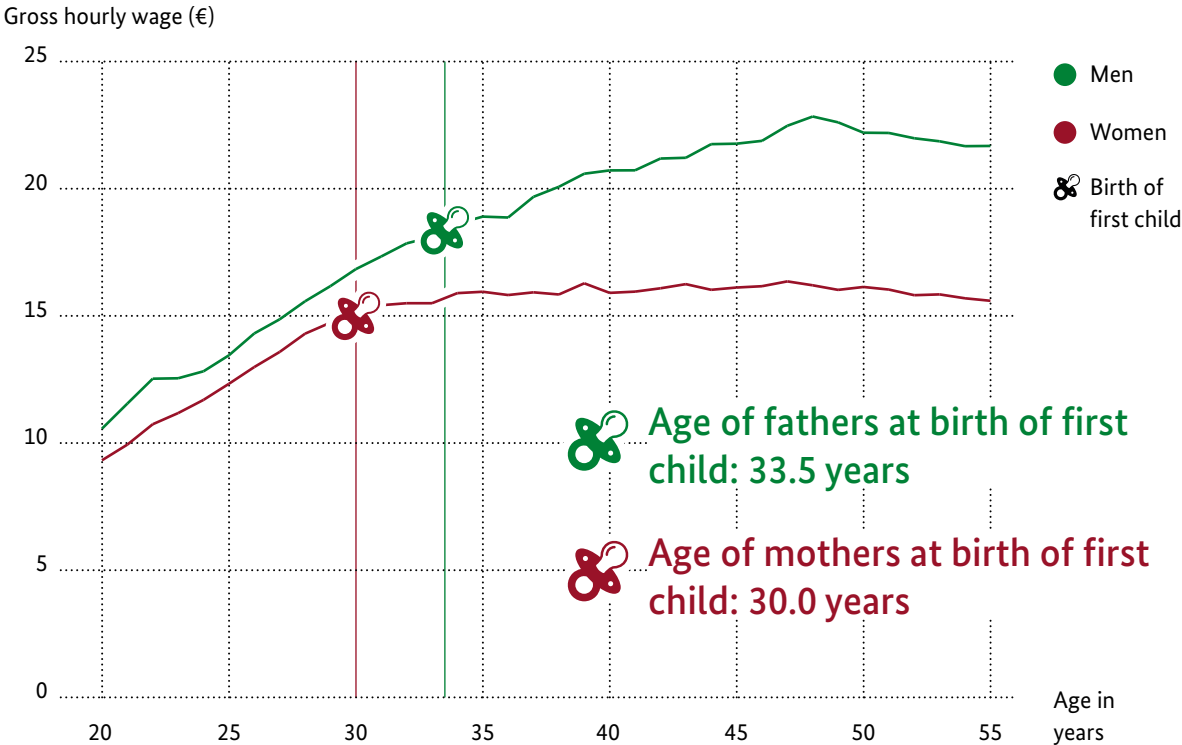
Women not only assume more responsibility for looking after and caring for children. Those aged between 45 and 64 are also more involved in the care of relatives as well. The First Report of the Independent Advisory Committee on the Reconciliation of Care and Work comes to the conclusion that two-thirds of primary carers are women. That means 1.65 million women. Ignoring the difference between primary and other carers, at 57 percent, women in caring households perform more care work than men (38 percent) and tend to perform the more time-intensive forms of care work (Geyer 2016). Women thus tend to reduce the number of hours they work per week to perform care work.

How part-time work impacts the gender pay gap

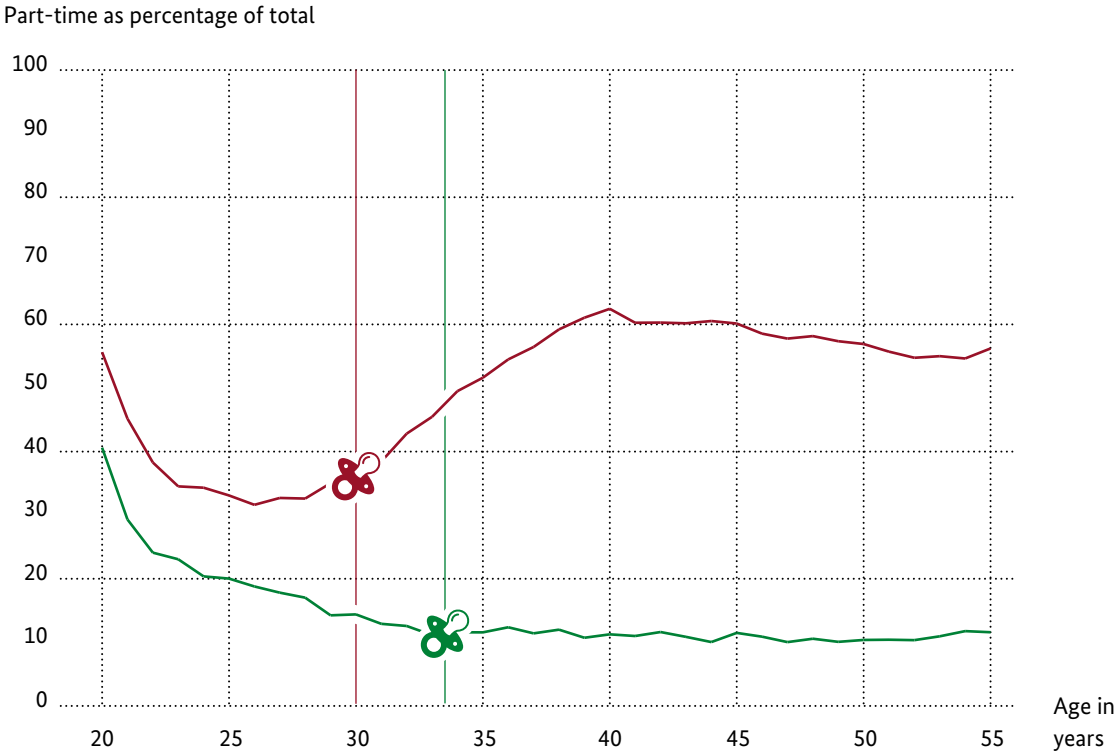
In Germany, women are much more likely to work part-time and with fewer hours than in other countries in Europe (Boll/Langemann 2018). In 2018, the proportion of part-time employees in Germany was 46.7 percent, as compared to the EU average of only 30.8 percent. Only in the Netherlands is the proportion of women in part-time work (73.8 percent) significantly higher. In Austria it is similarly high (47.6 percent) (Eurostat 2020). The high proportion of part-time work in Germany thus has a greater impact on the gender pay gap. In 2018 the average working week for women working part-time was 21.5 hours. In terms of the gender pay gap, what is known as the part-time trap is seen as particularly disadvantageous. It describes the observation that women—often following the birth of their first child and a period of parental leave—switch from full-time to part-time and then rarely go back to working full-time thereafter. The resulting interrupted career paths and low number of hours worked that are typical of many women's employment biographies impair their career development. And that means that women earn less over the course of their working lives.

The hourly wages earned by women and men also differ significantly from the age of 30. With the birth of their first child, the number of mothers who work part-time rises significantly, while for men there is no noticeable change (Schrenken/Zucco 2020). For those under 30, the gender pay gap amounts to nine percent. For those over 30, it widens significantly and amounts to 28 percent for women and men at the age of 49. The gender pay gap in this age group was consequently significantly larger in 2019 than the national average of 20 percent.

Average hourly wage, part-time percentage and average age at birth of first child



The hourly wages earned by women and men also differ significantly from the age of 30.



The hourly wages earned by women and men differ significantly from the age of 30. Source: Schrenker/Zucco 2020
 Source: Research Data Centres of the Statistical Offices of the Federation and the Federal States, results of an income structure survey (Verdienststrukturerhebung 2014), Microsensus 2014–2016

The gender pay gap adds up over the course of working

As illustrated by the **gender lifetime earnings gap**, the gender pay gap adds up over the course of working life. It was first used in Germany in 2016 to show how total income differs between women and men in the course of working life, indicating a difference of 48.8 percent on average (BMFSFJ 2016). In the EU overall, that figure was significantly lower in the most recent calculations done in 2014 and amounted to an average 39.6 percent across the EU member states (European Commission 2017).

Over the course of their entire working lives, women earn only half as much as men. This is the conclusion of a study conducted by the Bertelsmann Foundation (Böhnke et al. 2020). At 2015 prices, women in western Germany are expected to earn an average income of around €830,000 in the course of their working lives. By way of contrast, men can earn around €1.5 million on average. In eastern Germany, expected life-time earnings are low overall: women earn around €660,000, while men earn almost €1.1 million. That means that the difference in pay on account of the gender pay gap can add up to some €170,000 across all occupations. Added to this comes the impact of family-related breaks from work: for example, for academics, the difference between individuals who work full-time throughout and those who interrupt their careers and/or work part-time amounts to as much as €528,000 (BMFSFJ 2016).

Low pay also has a negative effect in old age

Beyond active working life, the gender pay gap results in unequal pension payments. This is illustrated by the **gender pension gap**. In Germany, the pension gap between women and men is 53 percent. This means that on average, and excluding survivor's pension, women receive only just over half of the pension payments from their own pension entitlements when compared to men. Here too, there are differences between western Germany, where the gender pension gap is 58 percent, and eastern Germany, with a pension gap of 28 percent (BMAS 2016).

Women and men decide for themselves how they share unpaid care work and paid work. However, that decision depends on social, economic and institutional conditions. And, as in the past, it is still influenced by existing gender stereotypes and cannot therefore be considered without taking those factors into account. Women perform a far greater share of unpaid care work than men—and tend to work part-time as a result. That decision is not always one of choice. It arises in part from the fact that there is currently no working-time and care model in place that makes it possible to reconcile full-time or near-full-time work with family life (Allmendinger 2011).

2.3 Discrimination risks in determining pay

Many stakeholders are involved in defining criteria and processes for use in calculating pay for employees. Lawmakers, collective bargaining partners, works councils and individual employers can all influence employees' pay and thus both pay equality and pay inequality between women and men. The principle of equal pay makes it mandatory for them to do so. The way in which pay is calculated is usually determined by collective wage agreements and company wage agreements. For civil servants, the amount they earn is defined by law. When determining an employee's pay, the following questions should be asked:

- In which pay group does an activity belong?
- How does professional experience impact pay?
- How is the individual performance of employees measured? How is performance linked to pay, for example in the form of a performance bonus?
- On what grounds are allowances and supplements paid?

Where collective wage agreements apply, the gender pay gap is lower

The parties to collective agreements are free to agree on collective provisions, for example to evaluate or classify activities (Article 9 (3) German Basic Law). But they must follow the principle of equal pay for women and men for equal work or work of equal value. This is prescribed in Article 3 of German Basic Law. The Transparency in Wage Structures Act thus calls upon collective bargaining partners to work, within the scope of their mandates, to make equal pay a reality for women and men (Article 6 (1) of the Transparency in Wage Structures Act (EntgTranspG)). The fact is that when women and men are paid according to scale following a collective wage agreement, the gap between their earnings is lower. But nevertheless collective agreements are not necessarily free of discrimination and can actually foster pay inequality.

Women earn less even in the same jobs

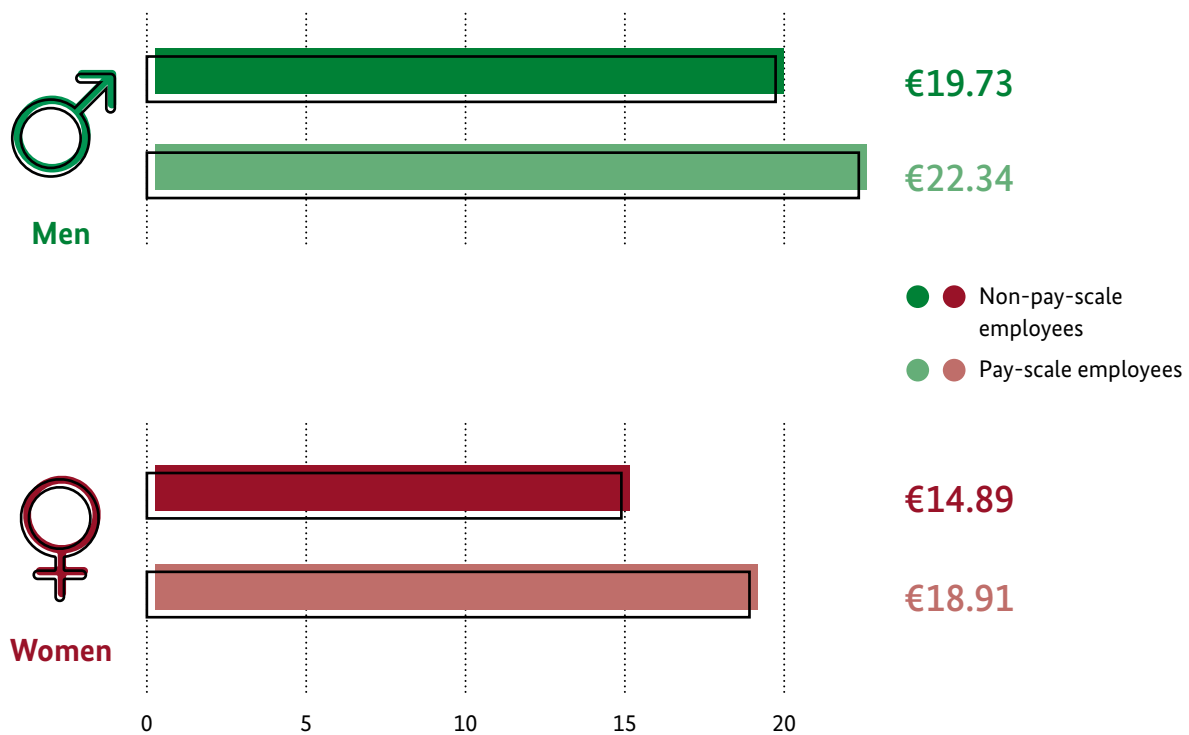
Irrespective of whether the arrangements for determining pay are agreed or laid down in collective agreements, at company level or individually, the principle of equal pay is often not adequately applied. The amounts earned by women and men thus differ significantly—even when they have the same jobs and their activities are not strictly the same but can be said to be similar.

2 Station two: Causes of the gap

For example, female bank clerks earn an average €1,083 less per month than their male counterparts (Verdienststrukturerhebung, 2014). This results in a gender pay gap of 23 percent. Even where women work in technical professions, they do not achieve the same income as their male colleagues in the same profession. Women who work as machine and plant operators earn an average €686 less per month. This represents a gender pay gap of 22 percent. Women specialists in technology research and development receive an average €704 less per month, a difference of 13 percent.

The fact that women often earn less and are thus disadvantaged when compared to men can be attributed in particular to three main areas of action: gender-neutral job evaluation and classification, equal pay for other pay components, and the lack of transparency in pay structures. How do these look in practice? Are there any links?

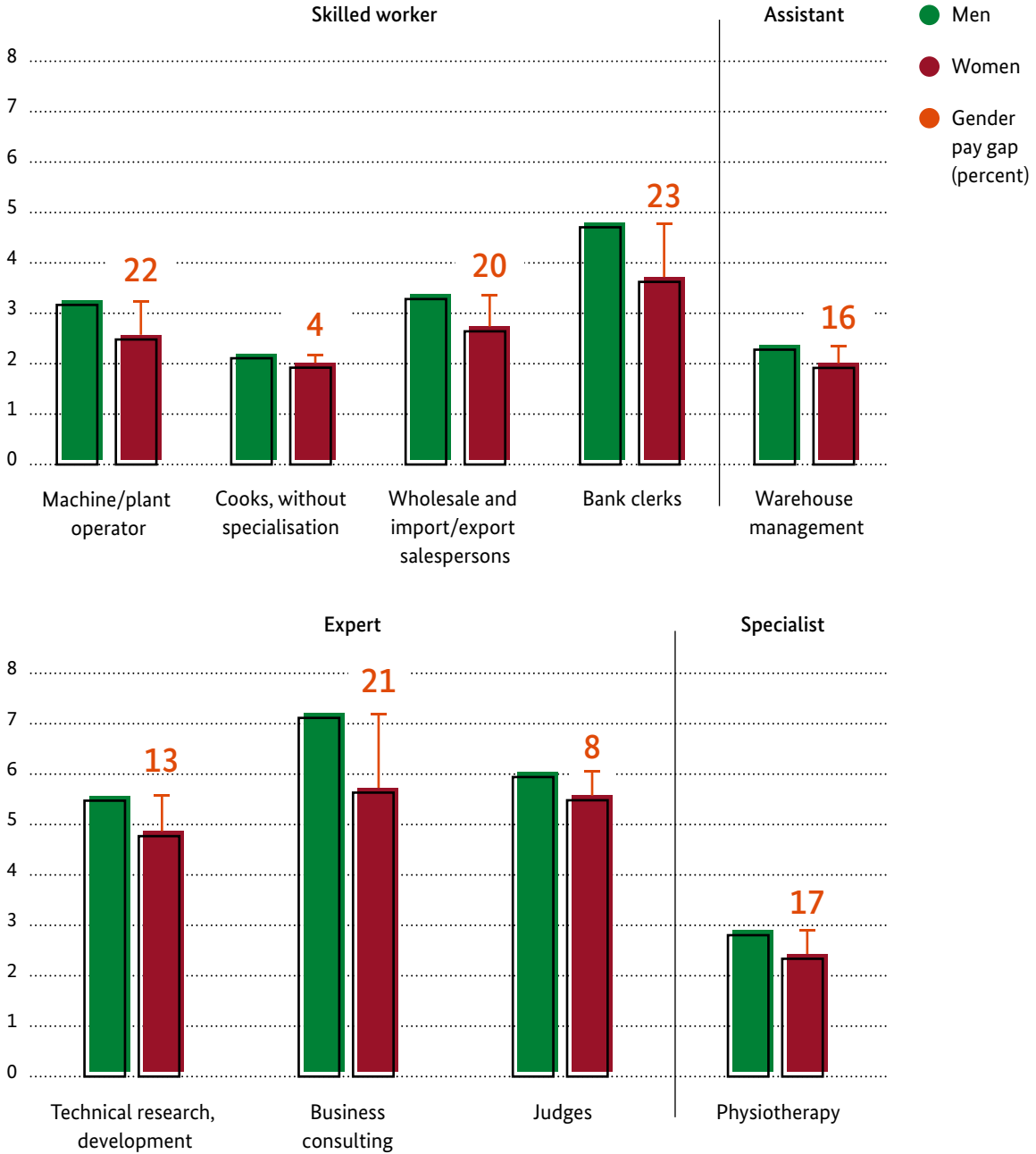
Gross hourly wage for pay-scale and non-pay-scale employees



The pay gap between women and men who are paid according to scale is lower than between non-pay-scale employees. Figures in euro. Source: Statistisches Bundesamt 2017a

Occupations and associated incomes

Average gross monthly pay (€)



Cooks have the lowest gender pay gap, at four percent. For bank clerks, the gap in pay between women and men is highest, at 23 percent. Source: Statistisches Bundesamt 2017b, own presentation, supplemented by gender-sensitive language

Job evaluation and classification

Although the principle of equal pay is prescribed by law, it is part of social reality that women's and men's occupations are differently valued. This applies to entire groups of occupations and is reflected in how they are paid, for example, when teachers and care workers generally receive lower pay than people who work in industrial occupations or in IT services. But it also affects the actual grouping of specific activities.

During the COVID-19 pandemic, the occupational groups and areas of systemic relevance to public and social life were thrust into the public eye. These include the healthcare sector, national security, basic services and food supply, childcare, and the maintenance of transport and IT infrastructures. It became clear that wages are below average in most of these occupations—and that the proportion of women in them amounts to 75 percent. What is more, these are occupations which, other than in times of crisis, have a rather low social standing and low occupational prestige, and are thus also poorly paid (Koebe et al. 2020).

A job evaluation can determine whether activities are of equal value. Activities deemed to be of equal value are grouped in the same pay group. For example, in accordance with the collective wage agreement for the chemicals industry, the activities “office/clerical work” and “maintenance work on equipment, machinery or plant” are both classified in pay group E7. The collective bargaining partners have assessed these activities as being of equal value.

But rules on job evaluation and classification or grouping can be discriminatory. This is the case even where they do not distinguish between women and men. And in particular, the widely-used summary job evaluation methods are seen as especially prone to bias. Summary job evaluation classifies activities not based on the job as a whole

but by comparing a series of factors or requirements and evaluating them using relatively large subjective margins. Weightings and the level of specific requirements are not clear. Analytic job evaluation methods are not necessarily free of bias, as they can also ignore typical requirements for female-dominated jobs or apply weightings that only benefit male-dominated jobs. However, since each factor is considered and assessed separately and weightings are clear, such methods offer better conditions for non-discriminatory assessment of work.

Risk of bias in the course of job evaluation occurs, for example, in the care sector and in educational professions—areas in which especially large numbers of women work. Their work is stressful and physically demanding—for example, if they have to lift or carry a person and adopt awkward postures. But in many cases, this is not taken into account and therefore goes unpaid. It is accounted for and paid, however, for commercial and technical activities in the same hospital or residential nursing home. Communicative requirements or mental stress in workplaces dominated by women with frequent customer contact, for example in the services sector or in retail, are also rarely considered in job evaluations and are thus not paid. The same applies as regards responsibility for other people and their health, which is one of the essential requirements in the schools and education sector, and also in the provision of care. But then responsibility is often interpreted only as responsibility for money or machines.

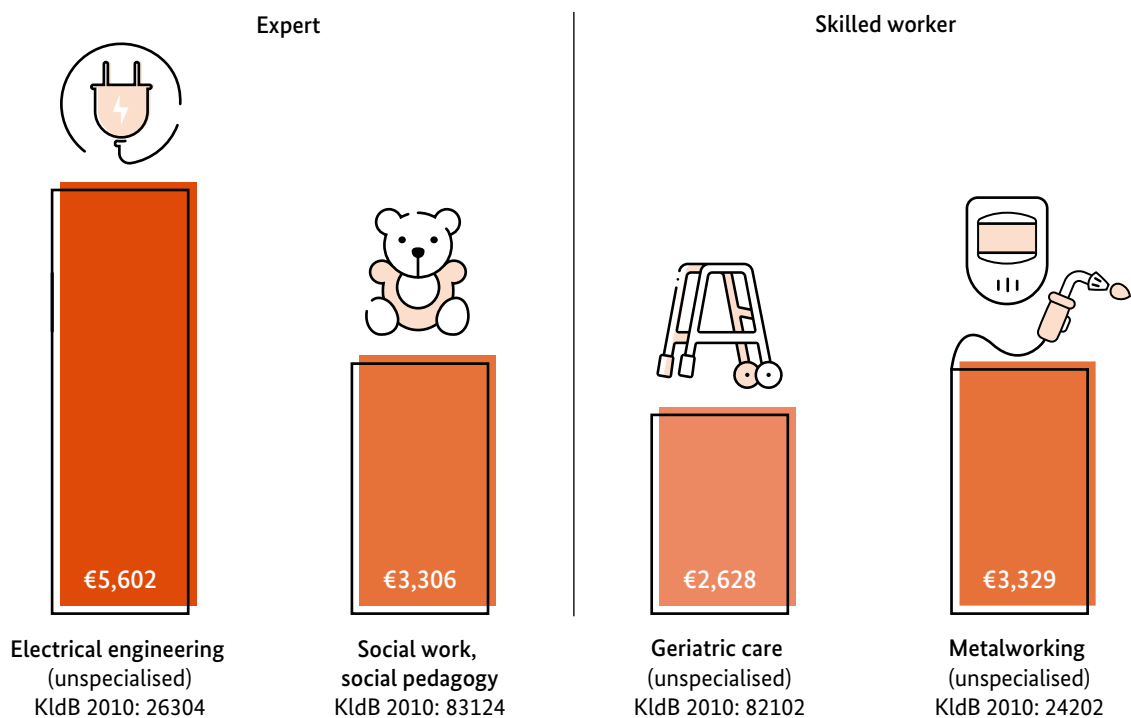
Gender stereotypes influence evaluations

The requirements included in the job evaluation are the result of negotiations between the parties to collective wage or company wage agreements. Social perceptions regarding the value of various jobs and activities are, of course, taken into account. In the labour market, work and tasks for which women were declared responsible in the traditional division of labour, and which women carried out predominantly without pay, are now

described as women's occupations. But cooking and serving, cleaning, tidying and organising, caring, rearing and educating, sewing and dressing, looking after others, maintaining contacts and giving advice are still under-valued by society in monetary terms. This is one of the main reasons why experts in electrical engineering earn almost €2,300 more per month than equally qualified specialists in social work and education. And why skilled workers in metalworking have a good €600 more on their pay slips at the end of the month than skilled workers in geriatric care (see Figure).

Technical and social occupations: a comparison

Average gross monthly pay for women and men









People who work in geriatric care earn only about half as much as those in electrical engineering.
 Kldb 2010 = German occupation classification codes. Source: Statistisches Bundesamt 2017b, own presentation

Greater proportion of women, lower level of pay

When performed by women, work is less valued and less well paid (Hausmann et al. 2015). This applies not just for the examples given, but for the labour market overall. **The greater the proportion of women in an occupational group, the less that group earns on average. If the proportion of women in an occupational group increases, the level of pay in that group is reduced.** This only applies for average earnings, however. If the proportion of women in an occupational group increases, the amount earned by men remains just as high. The level of pay in the occupational group thus reduces solely because more women on lower pay are part of that group. This signals an ongoing devaluation of the work performed by women and is a major reason for the persistence seen with the gender pay gap.

Whether equivalent occupations, i.e. occupations with equal requirement levels, are paid equally also depends on the proportion of women in those occupations. Earnings increase commensurate with the level of the requirements that apply. However, women-dominated occupations tend to be paid less than male-dominated and mixed-gender occupations for the same high occupational stresses and strains (Klammer et al. 2018). For example, the demands and stresses in medical and pharmaceutical occupations can be seen as equally as great as those in the software development profession. The two occupational groups have the same index equivalence. But the average gross hourly wages in these equivalent occupations are by no means the same: in 2018, they amounted to €27.68 in the male-dominated IT professions and only €15.65 in the women-dominated medical professions—a gender pay gap of around 43 percent.

Levels of equivalence between the differing occupational groups

| | CW index | Average gross hourly wages | Percentage of women in occupation | Gender pay gap |
|--|----------|--|-----------------------------------|----------------|
| Software and application development and analysis | 25 |  €27.68 | 18% | 43.5% |
| Skilled medical and pharmaceutical professions | |  €15.65 | 91% | |
| Graduate and comparable database and network specialists | 26 |  €21.23 | 23% | 43.6% |
| Health sector care occupations | |  €11.97 | 89% | |
| Managers in sales, marketing and development | 29 |  €30.49 | 25% | 53.6% |
| Managers in hotels and restaurants | |  €14.16 | 64% | |

Even if occupational groups are equal, the greater the proportion of women, the lower the average gross hourly wage.
Source: Klammer et al. 2018, p. 42f, own calculations



Measuring equivalence

The Comparable Worth index, CW index or equivalence index, indicates the average value of the work in an occupational group. The occupational requirements and stresses were assessed for a total of 91 occupational groups. An equally high CW index for different occupations means they are of equal value. The CW index can be used to compare occupational groups across pay-scale and industry boundaries (Klammer et al. 2018).

Which other factors lead to pay inequality?

Discrimination can arise not only with regard to basic pay, meaning monthly salary or wage. The principle of equal pay may also be violated in the case of other pay components such as levels of experience, performance-based pay, overtime pay or allowances for special physical demands or mental stress. From a legal standpoint, the situation is clear: pay includes all basic or minimum pay as well as all other remuneration granted directly or indirectly in cash or in kind on the basis of an employment relationship (Section 5 (1) of the Pay Transparency Act (EntgTranspG)). That means that the principle of equal pay must be applied to all pay components. Thus, when it comes to equal pay for equal work or work of equal value, this applies to:

- Occupational experience and expertise
- Individual performance
- Workloads
- Physical stresses and strains
- Mental stresses and strains

The same applies to benefits in kind such as company cars, company housing, payment in kind or social benefits such as loyalty bonuses, childcare allowances and expatriation allowances: there must be no discrimination on grounds of gender.

Other pay components where discrimination occurs

Experience-based step increases

Employees move up to a higher level of their pay group after a certain length of time and in accordance with experience gained.

Areas where discrimination can occur

The experience gained by employees can, as a matter of principle, be used as a factor in determining pay. This is because growth in experience leads to employees being able to do their work better. Seniority or length of service can be taken as the gauge. However, as female employees interrupt their employment more often because of family responsibilities, discrimination can also arise here. Problems would also arise if experience gained with previous employers were to be recognised more generously and lead to a higher classification for male applicants undergoing a change of employer than for female applicants.

Performance-based pay

Employees are rewarded financially for individual or team performance. This can take the form of a one-off performance bonus or a monthly performance bonus.

Areas where discrimination can occur

The more the allocation of performance-based pay depends on subjective assessments or is awarded at managers' discretion, the greater the risk of discrimination. This is because aspects that are not linked to performance, such as full-time or

2 Station two: Causes of the gap

part-time work, hierarchical position or gender can unconsciously or consciously influence the level of performance-based pay and lead to disadvantages for women. Performance criteria linked to gender stereotypes (“men are assertive”, “women are communicative”) have the same effect. The same applies if “availability” or “flexibility” are used as criteria. These are more difficult to meet by employees with family responsibilities than by those without.

Overtime bonuses

Over and above basic pay for additional hours worked, bonuses are often paid for overtime worked.

Areas where discrimination can occur

The predominantly female part-time workforce had been at a disadvantage here for quite some time. But since a ruling by the Federal Labour Court in 2018, the following applies: women are entitled to receive overtime bonuses if their individually agreed working hours have been exceeded and not only in instances where they have worked beyond the regular number of hours for full-time employees.

Allowances for special hardships and stress

Certain hardships and stresses are inseparably linked to a job or an activity, for example, working outdoors in hot and cold weather in garden centres or high noise levels to which nursery school teachers are exposed. This should be taken into account when evaluating and classifying jobs. Also, are there any hardships and stresses that do not occur constantly or not at all workplaces, and that cannot be reduced? If there are, then hardship allowances are often paid.

Areas where discrimination can occur

Discrimination can arise if hardships and stresses at workplaces with predominantly female employees, for example in administration, are not taken into account. Problems can also occur if allowances are linked to the pay group on a percentage basis. It results in employees in different pay groups receiving different allowances for the same hardship. Discrimination in relation to job classification would follow as a result.

Pay bands

Some pay systems use bands rather than fixed euro amounts for activities of a certain level of skill or expertise. This usually affects employees who are not covered by collective agreements and whose pay is higher than that of those in negotiated pay groups. Here, gross pay for non-pay-scale employees in pay group 4, for example, is between €5,000 and €8,000.

Areas where discrimination can occur

In many cases, it is unclear how a position is classified within the pay band for non-pay-scale employees. It is often difficult to see why one person tends to be at the lower end of the band and another at the upper end. If the level of pay within the band is at the sole discretion of the manager concerned or is freely negotiated between the manager, the HR department and non-pay-scale employees, the principle of equal pay is likely to be difficult to uphold.

When transparency and comparability are lacking

Transparency is a prerequisite in the provision of equal pay. Without it, it is impossible to seriously review the pay setting process or decisions. Employees have no access to pay-setting processes and procedures. And they have no information about the company's pay structure. In such cases, the principle of ensuring equal pay is not upheld. This contributes to the fact that potential pay disparities are not recognised and continue to exist unstopped. In addition, non-transparent procedures in determining pay neither foster trust in the company exercising fair practice nor do they increase employee satisfaction, motivation and loyalty.

And in some companies, talking about pay and how much people earn is still a taboo subject. Employment contracts sometimes place employees under an obligation to maintain confidentiality. That prevents them from checking whether their pay is non-discriminatory and from being able to work towards remedying disadvantages. The Mecklenburg-Western Pomerania State Labour Court has thus deemed such clauses invalid. Transparency is also required in accordance with EU law: the European Court of Justice has ruled that in case of dispute, employers with non-transparent pay systems must prove that their pay policy is non-discriminatory (EuGH dated 17.10.1989 C-109/88 Danfoss).

Pay transparency—societal views



Most employees are in favour of more transparency in pay—even if it means revealing their own. Figures in percent. Source: Federal Ministry for Family Affairs, Senior Citizens, Women and Youth 2015

2 Station two: Causes of the gap

When setting pay, there are numerous factors that influence the gap in pay between women and men. These include traditional standards, gender stereotype assumptions, the unchecked application of assessment and evaluation criteria, and a lack of transparency and verifiability. **It is not always easy to recognise when equal pay is at stake, because the factors are just as varied and complex as modern remuneration systems themselves.** And they can both influence and reinforce one another. For example, certain stresses and strains could be disregarded, both in job evaluation and in the rules on payment of hardship allowances. Or allowances and bonuses could perpetuate the undervaluation of activities if they were calculated as a percentage of basic pay. Both these effects would be reinforced if the pay system were not transparent for employees, so that the discriminatory aspects mentioned above would not even come to light. Given this complexity, the rules and procedures for setting pay should be closely examined to identify their potential contribution to pay inequality and develop measures to prevent it.

Gender segregation in the labour market, unbalanced distribution of paid work and unpaid care work, and discrimination in the setting of pay lead to pay inequality with the result that, on average, women's financial situations are much less secure than those of men. **Even in the 21st century, large numbers of women are still fighting for financial independence and for financial security obtained through gainful employment.** In Germany and across Europe, approaches, solutions and measures should help to create equal income opportunities for women and men, and enable them to earn their own living.

3

Staging post: A look at Europe

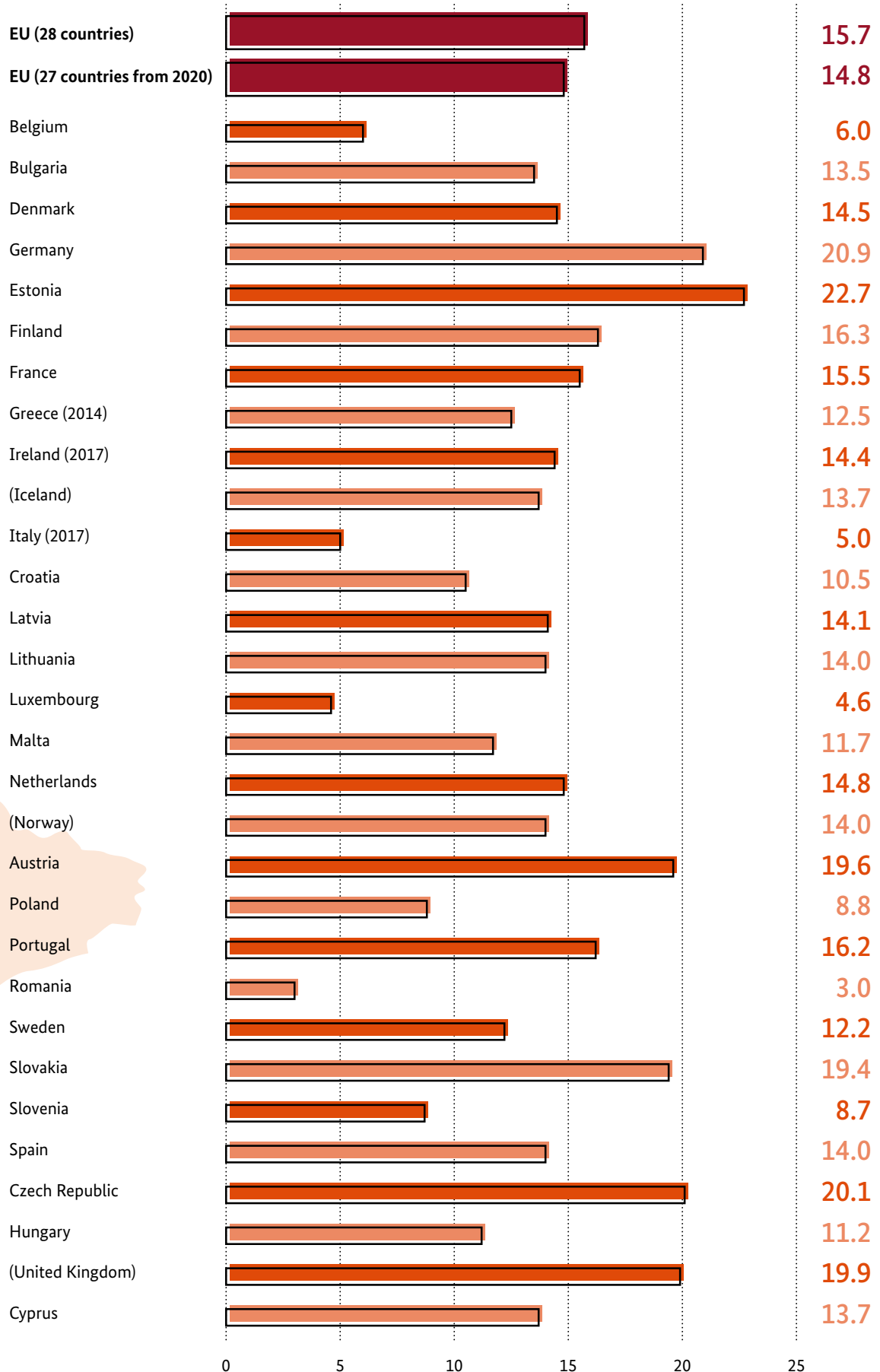
In a European comparison, Germany together with Estonia brings up the rear in the gender pay gap. What measures can be taken to close the pay gap? A look at Europe.

3 Staging post: A look at Europe

The gender pay gap in Europe 2018

Germany has the second-highest gender pay gap in the EU.
The wage gap is particularly low in Romania, Luxembourg and Belgium.
Source: Eurostat 2020, Gender pay gap in unadjusted form—percent of average gross hourly earnings of men (sdg_05_20)





Cyprus

3.1 Why the gender pay gap differs across Europe

The gender pay gap differs greatly across the EU. While in 2018 it was 15.7 percent in the then 28 countries of the European Union, Estonia and Germany have the highest gaps with 22.7 percent and 22 percent respectively. Slovakia, the Czech Republic, the UK and Austria also have higher gender pay gaps of around 20 percent. The wage gap is particularly low in Romania, Luxembourg and Belgium, at between three and six percent.

Although a low gender pay gap appears positive at first glance, it does not mean that the employment opportunities for women in that country are particularly good. For one, the gender pay gap only takes working women into account. Additionally, the reasons that lead to a particularly high or low gender pay gap vary from country to country. Nonetheless, the gender pay gap proves to be an important indicator in capturing the existing gender inequalities in the labour market and in enabling a comparison of different EU member states.



EU average

Gender pay gap: 15.7 percent

Female employment rate: 67.4 percent

As of: 2018

But back to the initial issue of the causes of the gender pay gap in Europe: As in Germany, women and men are distributed across different sectors and occupations. In addition, the occupations and sectors are assessed differently in the respective national contexts. **The gender pay gap is particularly high in countries where women work predominantly in low-paid sectors and men in those that are higher-paid.** The type of employment also contributes to unequal pay: Where women are predominantly employed part-time or on fixed-term contracts, the gender pay gap is usually higher than in countries where women work predominantly full-time and have a permanent employment contract. And it makes a difference whether there are collective forms of pay—for example minimum wages prescribed by law or collective wage agreements—or if wages and salaries are negotiated. In addition, studies such as that by Boll/Langemann 2017 show that the female employment rate, i.e. high participation of women in the labour market, is often accompanied by a higher gender pay gap. This is explained by the fact that in countries with a low female employment rate, only highly qualified women are employed. Those women are also prepared to use their qualifications to take well-paid jobs even under difficult conditions, for example in the absence of models to enable reconciliation of work and family life. A look at individual countries shows the effect these factors have.

Estonia

✓ Estonia

Gender pay gap: 22.7 percent
 Female employment rate: 75.6 percent
 As of: 2018

In Estonia, the high level of gender segregation in the labour market is seen as the main reason for the high gender pay gap. Similar to the situation in Germany, women work predominantly in sectors that pay less. In addition, women take comparatively long career breaks to accommodate care work. The lack of collective forms of pay determination means that individual wage negotiations are the norm, which also has a negative impact on women's income prospects.

Romania

✓ Romania

Gender pay gap: 3.0 percent
 Female employment rate: 60.6 percent
 As of: 2018

In Romania, relatively few women are in employment. The gender pay gap has been far below the average of all EU countries for a number of years. From an equality policy perspective, a small difference in pay may appear positive at first glance. But it is embedded in a generally precarious income situation. For example, Romania has the lowest average annual incomes in the whole of the European Union—even taking purchasing power into account (Eurostat 2018). Purchasing power indicates the amount of essential goods and services a household can purchase with a certain sum of money. Women and men earn equally little in Romania. So little, in fact, that there is no longer any difference between them.



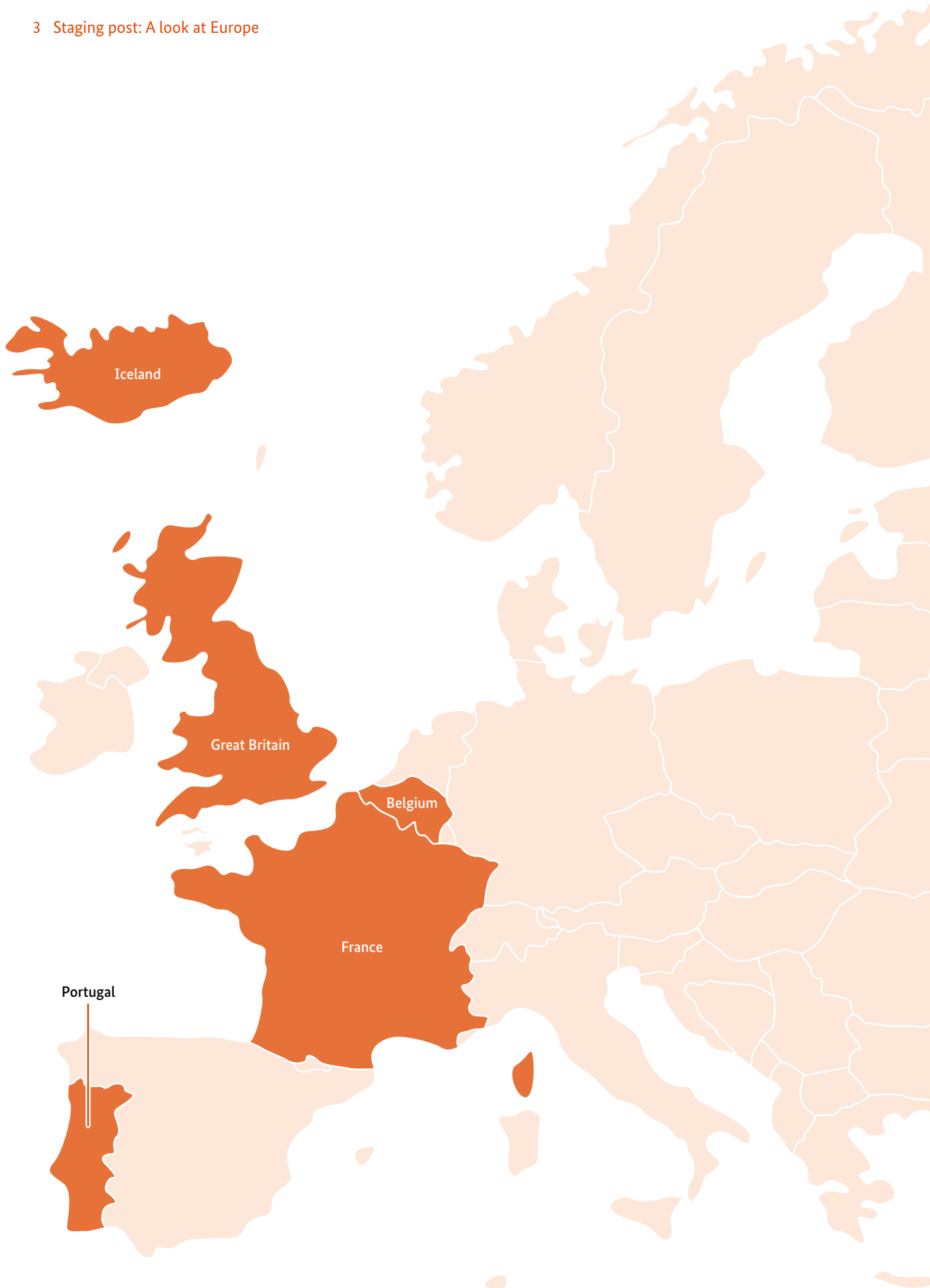
Italy

✓ Italy

Gender pay gap: 5.0 percent (2017)
 Female employment rate: 53.1 percent
 As of: 2018

In Italy, women are still largely responsible for childcare. This makes it extremely difficult for them to take up paid work, especially for mothers. For example, there are neither sufficient childcare facilities nor a legal right to a childcare place. And where women are employed, they work predominantly in skilled occupations where income levels are high. For example, the proportion of women among teachers in Italy is twice as high as the EU average (Boll/Lagemann 2018). But then, unlike in many other EU member states, care of the elderly and the sick offers almost no employment opportunities for women at all. This is because in Italy, most of this work is not done as formal paid work, but informally in private households. The fact that this low-wage sector does not exist has a statistically positive effect on the gender pay gap.

3 Staging post: A look at Europe



3.2 Best practices from European countries

Many neighbouring European countries are trying to reduce the gender pay gap. As it is only in recent years that a range of new measures have been put in place, only time will reveal the success they achieve.

A large number of countries have introduced **reporting requirements**. They require companies to report on wages and salaries at regular intervals and to develop concrete measures or **action plans** if there is a need for action regarding equal pay. Some countries require companies to conduct regular **pay audits** or **certification procedures**. Yet others are calling for **job evaluation systems** to be reviewed or have created dedicated bodies to implement and enforce equal pay. What all of these measures share is the goal of creating more transparency in pay, thus contributing to equal pay for women and men.

Iceland Equal pay certification and an ambitious goal



Iceland

Gender pay gap: 13.7 percent

Female employment rate: 83.2 percent

As of: 2018

The Icelandic government wants to eliminate the gender pay gap by 2022. Since January 2018, Iceland has used a mandatory certification procedure for private companies and public institutions employing 25 people or more. They must now obtain “equal pay certification” from accredited external audit bodies. Certification is based on an Icelandic management standard (Equal Pay Standard IST 85:2012). Its purpose is to assess pay policy and wage setting procedures in companies to ensure equal pay for equal work or work of equal value throughout the company as a whole. Implementation occurs in phases until the end of 2021. The new law requires companies to ensure that there is no gender discrimination in the wage setting process. Other forms of discrimination, such as discrimination based on a migration background, can also be made visible and subsequently eliminated.

France Equality index with five indicators and outcomes

✓ France

Gender pay gap: 15.5 percent
Female employment rate: 67.6 percent
As of: 2018

In France, companies have to submit an annual report to the works council on the position concerning women and men company-wide. The scheme has been in place since 1983 for companies with 50 or more employees. The mandatory report also contains data on equal pay. Since 2020, companies of this size have also been required to calculate and publish their equality index annually. The index is based on five indicators:

- (1) Average pay including performance bonuses and benefits in kind.
- (2) Wage increases by gender.
- (3) Promotions by gender.
- (4) Equal treatment concerning pay increases during maternity leave.
- (5) Share of women on the executive board.

Points are awarded for each indicator. If a company scores fewer than 75 points, it must take action and introduce corrective measures. If it fails to do so within a predetermined period, fines of up to one percent of the company's total wage costs are imposed.

Belgium Three adjustments to achieve more equal pay

✓ Belgium

Gender pay gap: 6 percent
Female employment rate: 65.6 percent
As of: 2018

Belgium has had a law on equal pay since 2012. The aim is to achieve greater transparency in wage setting at all levels of wage negotiations—national, sectoral and company. The following measures, along with others, are intended to achieve this objective:

- (1) The Central Economic Council provides regular information on the gender pay gap.
- (2) The gender neutrality of job evaluation systems is audited at sectoral level.
- (3) Companies must identify and publish both pay and labour cost differences for women and men in their annual audit report.
- (4) Companies with more than 50 employees must compare the pay structure for female and male employees every two years. If differences are detected, the company must draw up an action plan to close the gap.
- (5) At the suggestion of the works council, companies with more than 50 employees may designate a wage mediator as the contact person for the employees involved.

Portugal Publishing data and implementing measures

✓ Portugal

Gender pay gap: 16.2 percent
Female employment rate: 72.1 percent
As of: 2018

Since 2009, employees in Portugal have been entitled to receive information on average wages and salaries. And in 2019, a law to promote equal pay for women and men was introduced. It contains various measures designed to implement and enforce the principle of equal pay:

- (1) Every year, the Ministry of Labour and Social Affairs publishes data on the pay situation of women and men, including in the various sectors.
- (2) Companies must implement measures to ensure transparency in pay.
- (3) On the basis of the published data, the State Commission for Equality in Work and Employment (CITE) calls upon those companies in which women and men do not receive equal pay to justify why that is the case or to take measures to reduce the gap in pay.
- (4) Employee representatives have the right to ask the CITE for assistance if they discover pay disparities in their companies.

UK Companies must report and publish data

✓ UK

Gender pay gap: 19.9 percent
Female employment rate: 73.8 percent
As of: 2018

Since 2017, companies with more than 250 employees have been required to publish data on the pay of female and male employees by 5 April each year. That includes average pay, average total pay and bonus payments. Companies must also explain how women are distributed among the different income levels. The data is published online together with the company's equality plan which shows how the pay gap is to be closed. It is published on the companies' websites and on the website of the UK Government Equality Office. Although the law does not provide for sanctions if companies fail to provide data or if they provide inaccurate data, the requirement to publish their data puts companies under pressure to do so. In addition, an independent equal opportunities commission ensures that the data provided on the pay situation is correct and, where necessary, publicly requests companies to correct it.



Station three: Approaches, solutions and measures

What progress is being made towards achieving equal pay for women and men? What legal and other measures exist in Germany and how do they work?

The amount women and men earn depends on many different factors: the occupations they choose, whether and how long they interrupt their careers, whether they work part-time or full-time, whether or not they move into management positions, and the prejudices or structural obstacles they encounter along the way. The causes of pay inequality are complex. They are mutually dependent and mutually reinforcing; their effects become visible at different stages over the course of people's lives.

It is thus important to tailor the measures to promote equal pay between women and men to the actual causes, and to take the entire course of women's and men's lives into account. The economy, industry associations, policymakers and academia can all contribute to closing the pay gap. This is why the Equal Pay Day campaign communicates the issue of equal pay for equal work and work of equal value to the general public on an annual basis every year, raising awareness to its causes and ways to solve them. Thus, on the road to achieving equal pay for women and men for equal work and work of equal value performed, there are three main objectives:

- 1 Overcome horizontal and vertical gender segregation in the labour market.
- 2 Distribute paid work and unpaid care work fairly and in partnership.
- 3 Enforce and promote pay structures and regulations free of gender-based discrimination.

The Federal Ministry for Family Affairs, Senior Citizens, Women and Youth (BMFSFJ) has initiated a series of measures and introduced solutions that address these issues and pave the way for more equal pay. The following profiles provide an overview of some selected measures taken, which contribute directly or indirectly to the aim of fostering equal pay. The order of sequence is based on a life course perspective and the different stages of working life. At the beginning there are measures to encourage young people to choose an occupation based on their individual interests and strengths. To aid that process, not only young people, but also institutions and individuals

involved in the process of career choices should be sensitised to the strong influence of gender stereotypes.

Once employed, the phase of starting a family plays a decisive role when it comes to labour market segregation. Measures are needed here to counteract unequal distribution of unpaid care work and to promote a partnership-based division of paid work and unpaid care work between women and men. If employment is interrupted, being able to return to work is extremely important.

To support the labour market participation of women and men, a service of day care for children from birth to school enrolment that meets the demands of parents is crucial. But day care for children must be ensured after entering school as well. The BMFSFJ therefore supports the further development of full-day care of children in elementary schools.

One measure to combat vertical segregation in the labour market is the Act on Equal Participation of Women and Men in Executive Positions in the Private and the Public Sector. It aims to ensure that women and men are equally represented in senior management positions.

During the COVID-19 pandemic, the enormous contribution made to the community by the healthcare, social services and educational professions was suddenly brought to public attention. For BMFSFJ, measures to enhance the status of the social sector occupations are also a priority focus of its policy on equality. To increase both appreciation of and pay for the work performed by these professions, the Act to Improve Wages and Working Conditions in Long-term Care (Pflegelöhnerverbesserungsgesetz) was introduced in 2019 (see fact sheet).

Among other things, transparency is needed to enforce and promote pay structures and regulations free of gender-based discrimination. This is where the Transparency in Wage Structures Act comes into play, for example by calling upon larger private-sector employers to carry out company audits to identify and eliminate potential discrimination.

1 Girls' Day— Future Prospects for Girls

Objective

Girls' Day introduces girls to a wider range of career choices and stimulates thinking beyond gender stereotypes. On this nationwide action day, companies, businesses and universities throughout Germany open their doors. Schoolgirls learn about apprenticeships and courses of study in IT, crafts and trades, and science, technology, engineering and mathematics (STEM), which as a rule are taken up by boys. Or they meet female role models in leading positions in business and politics. In addition, companies from all sectors are made aware of a generation of young women who they may later be able to employ as well-trained specialists in their fields.

Target group

Girls and young women aged 10 to 17—from the fifth grade onwards, and especially those about to choose a career or a course of study.

Outcomes

Participation

Since Girls' Day was introduced in 2001, about two million girls have participated so far. In 2019, around 100,000 girls explored offers in technology and the natural sciences. More than 10,000 offers from companies and organisations were registered on the website.

Job placements

Of the companies that have participated so far, 27 percent have already employed young women.

Outlook

Experience reports, participation requirements, practical tips and more: www.girls-day.de

Girls' Day
Mädchen-Zukunftstag



Boys' Day— Future Prospects for Boys

Objective

As with Girls' Day, Boys' Day promotes the elimination of gender stereotypes and showcases a wider range of career options. This gives boys insights into professions which up to now have largely been women's domain. On this nationwide action day, companies, businesses and universities throughout Germany open their doors. The primary focus is placed on training occupations and courses of study in the social, healthcare and education sectors. In addition, Boys' Day also offers workshops on the topics of career and life planning, role models and social skills.

Target group

Boys and young men aged 10 to 17—from the fifth grade onwards, and especially those about to choose a career or a course of study.

Outcomes

Participation

Since Boys' Day was introduced in 2011, almost 300,000 boys have participated.

New record

On Boys' Day 2019 there were 32,400 places for boys and more than 7,400 offers.

Evaluation

In 2018, some 94 percent of participants said they liked the action day. About 80 percent of the participating companies and institutions described Boys' Day as good or very good.

Outlook

Experience reports, participation requirements, practical tips and more: www.boys-day.de

Jungen-Zukunftstag
Boys' Day

1 Klischeefrei— Cliché-free career and study choice initiative

Objective

Since 2016, the Initiative “No Clichés” (Klischeefrei) has been campaigning for career and study options free of gender stereotypes and prejudices. Young people should be free to choose their profession according to their personal interests and strengths. To aid that process, No Clichés sensitises the institutions and the individuals involved to the strong influence of gender stereotypes and showcases new perspectives for cliché-free career and study choice.

Target group

The initiative is initially aimed at all those involved in young people’s choice of career or study. The dedicated website also provides information for young women and men who are about to make a career or a study choice.

Outcomes

Since its introduction four years ago, the No Clichés network has grown to include over 250 partner organisations. These include federal and state ministries, the Federal Employment Agency, numerous educational institutions— from daycare facilities to universities, companies, a number of employer associations and trade unions as well as other interest groups and institutions from business, education, government and administration.

Outlook

The website offers the very latest and the most diverse range of ideas and suggestions from everyday practice along with working aids, fact sheets, helpful contacts and links: www.klischee-frei.de



Promoting women in management positions



Objective

Women are currently under-represented on supervisory and management boards. The Act on Equal Participation of Women and Men in Executive Positions in the Private and the Public Sector is designed to ensure that women and men are equally represented in top management positions.



Target group

Women and men in management positions.



Outcomes

- The proportion of women on supervisory boards with fixed quotas stands at an average 34 percent. Since the Act came into force in 2015, the proportion of women has increased by almost 13 percentage points.
- The proportion of women on supervisory boards with no fixed quotas stands at an average of only 21.2 percent.
- The past three years have shown that in those companies subject to the fixed quota requirement, the proportion of women on supervisory boards has risen faster than in others. That means the quota is working.



Outlook

Further information is also available at:
<https://www.bmfsfj.de/bmfsfj/themen/gleichstellung/frauen-und-arbeitswelt/quote-privatwirtschaft/quote-fuer-mehr-frauen-in-fuehrungspositionen--privatwirtschaft/78562>

and in the information tool of the Federal Ministry for Family Affairs, Senior Citizens, Women and Youth:
www.bmfsfj.de/quote/

1 The Federal Act on Gender Equality

Objective

The Federal Act on Gender Equality applies to the Federal Administration and to federal companies and federal courts. The aim is to achieve equality between women and men, and to eliminate existing and prevent future discrimination based on sex. This refers in particular to the disadvantages faced by women when it comes to advancement opportunities, management positions and pay. The Act also serves to improve family friendliness and the reconciliation of family, work and care.

Target group

Basically, all employees—especially women—of the Federal Administration as well as federal companies and federal courts.

Outcomes

Federal authorities

The proportion of women in management positions rose by two percentage points in 2019 compared with 2018, to 36 percent. The proportion of women in career advancement is 54 percent (Gleichstellungsindex 2019).

Federal ministries

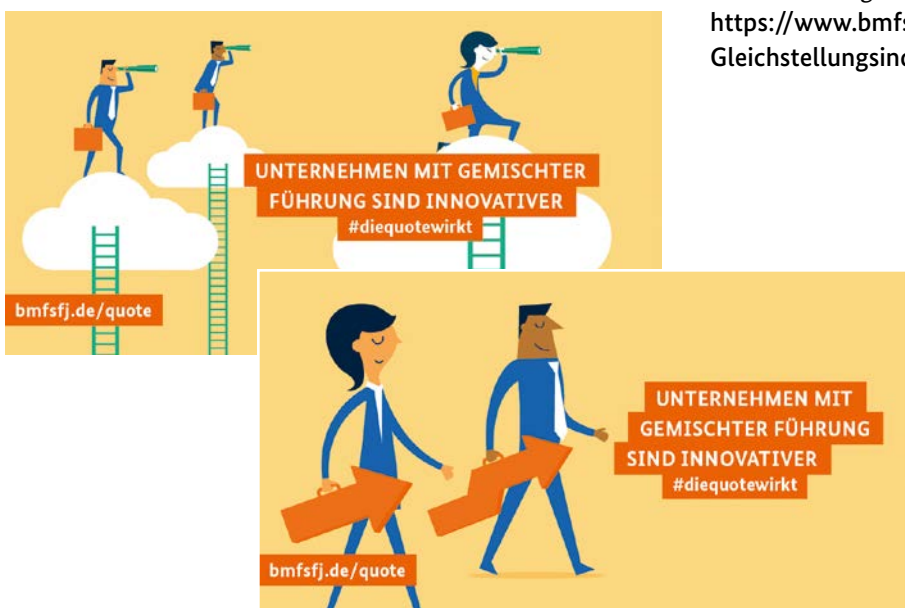
An increase in the proportion of women in management positions by almost three percentage points to 39 percent (Gleichstellungsindex 2019).

Reconciliation of work and family life

Family friendliness and work-life reconciliation measures enable women and men with children or dependent relatives in need of care to continue going to work.

Outlook

Gleichstellungsindex 2019:
https://www.bmfsfj.de/quote/daten/Gleichstellungsindex_2019.pdf



Investment programmes “Childcare Funding”

Objective

With the special fund “Childcare Expansion” for four investment programmes “Childcare Funding” (2008-2013, 2013-2014, 2015-2018 and 2017-2020), more than €4.4. billion will be invested.

The first three programmes were specifically aimed at expanding the volume of day-care places for children under three years. The fourth programme is aimed at creating 100,000 additional day-care places for children from the time of birth up to school enrolment.

Target group

Families with children.

Outcomes

- With the three first investment programmes, federal funds amounting to roughly €3.3 billion were used to create more than 450,000 additional day-care places for children under three years.
- With the current fourth investment programme at a volume of €1.126 billion in federal funds, the creation of additional 100,000 day-care places for children up to school enrolment is promoted.
- The stimulus programme includes an additional billion euros for 2020 and 2021. This makes it possible to provide 90,000 new day-care places in child day care. The funds can also be used for structural alteration measures and investments in new hygiene and rooming concepts in line with the restrictions due to the coronavirus pandemic.

Outlook

Information on the investment programmes:
<https://www.fruehe-chancen.de/ausbau/investitionsprogramme/>

Statistics on child day care:
<https://www.fruehe-chancen.de/ausbau/betreuungszahlen/>

https://www.fruehe-chancen.de/fileadmin/PDF/Fruehe_Chancen/Betreuungszahlen/Kindertagesbetreuung_Kompakt_2019_Ausbaustand_und_Bedarf_Ausgabe_5a_bf.pdf

1 Act to Improve Wages and Working Conditions in Long-term Care

Objective

Since 2019, the Act to Improve Wages and Working Conditions in Long-term Care (Pflegelöhneverbesserungsgesetz) has provided the legal framework for improved pay for people working in long-term care. It strengthens the capacity of the Commission for minimum wages in the long-term care sector to act. The Commission makes recommendations on minimum working conditions, which the Federal Ministry of Labour and Social Affairs (BMAS) can declare as binding. In addition, the Act makes it easier to achieve a nationwide collective agreement for the whole of Germany under Section 7a of the Posted Workers Act.

Target group

Employees in care professions.

Outcomes

On 28 January 2020, the Commission for minimum wages in the long-term care sector agreed on higher minimum wages for employees working in geriatric care. It set minimum wages for nursing auxiliaries, qualified nursing assistants and nursing professionals. Based on these recommendations, the Federal Ministry of Labour and Social Affairs has issued a Directive for the binding Determination of Minimum Wages in Care Professions. The “Fourth Directive on mandatory working conditions for the Care Industry” of 22 April 2020 has come into effect on 1 May 2020. Roughly 1.2 million employees will profit from the higher minimum wage in care professions and the additional paid leave.

Minimum wages for nursing auxiliaries

In the period up to 1 April 2022, the minimum wages for nursing auxiliaries in eastern and western Germany will rise to a uniform €12.55 per hour. The adjustment of the regionally differing minimum wages in the care sector to €12.00 will go into effect on 1 September 2021.

Minimum wages for qualified nursing assistants

From 1 April 2021, a minimum wage of €12.50 per hour in western Germany and €12.20 per hour in eastern Germany will apply to qualified nursing assistants. From 1 September 2021, Germany will introduce a uniform minimum wage for qualified nursing assistants of €12.50 per hour, which will then rise to €13.20 per hour from 1 April 2022.

Minimum wages for nursing professionals

On 1 July 2021, a uniform minimum wage of €15.00 per hour is to be introduced for nursing professionals in eastern and western Germany, rising to €15.40 per hour from 1 April 2022.

Additional paid leave

Employees in the care sector are to receive additional paid leave on top of the existing statutory leave entitlement. For 2020, this amounts to five days for employees with a five-day working week. For 2021 and 2022, the entitlement to additional paid leave will be six days.

Outlook

News concerning the Act:
<https://www.bmas.de/DE/Service/Gesetze/pflegelohneverbesserungsgesetz.html>

Gender care gap research project

Objective

Equal distribution of unpaid care work between women and men enables equal participation in working life and thus is an important contribution towards achieving equal pay. The research project describes the connections between the three gender gaps—gender pay gap, gender care gap and gender pension gap—and their causes. Recommendations for action to reduce the gender care gap are developed on the basis of empirical and qualitative studies. In addition, an alliance supported by civil society associations for a fairer distribution of unpaid care work is to be formed in 2020. The project is funded by the European Union.



Target group

People who have to combine paid work with care work. The specialist public also benefits from the research results.

Outcomes

Distribution of unpaid care work

In 2012/2013 the gender care gap amounted to 52.4 percent. Women thus spent 52.4 percent more time each day performing more unpaid care work than men. That difference amounts to 87 minutes per day.

Influencing factors

The distribution of unpaid care work is driven by social conditions, stereotypes and personal decisions. These each influence the others.

Prevailing conditions

Agreements reached between women and men on equal sharing of unpaid care work are not very stable due to the currently existing policies and conditions.

Alliance

Numerous civil society associations are forming an alliance “Fair Sharing of Care Work” with the aim of achieving the equal sharing of paid work and unpaid care work.

Outlook

More on the research project:
<https://www.bmfsfj.de/gendercaregap>

2 Perspektive Wiedereinstieg— Opportunities to return to work

Objective

The action programme supports women and men returning to work after interrupting their careers for several years to care for children or relatives who are elderly or sick. The portal www.perspektive-wiedereinstieg.de offers related information, while the ESF federal returning to work programme—“Perspektive Wiedereinstieg—Potenziale erschließen”—offers concrete, local-level advice and support.

Returning to work is a process that takes time and affects the family as a whole. It relies on help from partners within the family itself, and also in society and business. The programme provides advice and support to help families negotiate the redistribution of family-related and other domestic tasks, and highlights paths out of marginal employment. It informs company human resources managers about the potential of well-qualified returners to aid their efforts to secure skilled workers, and also establishes connections between institutions and associations.

Target group

Women and men returning to work; companies aiming to use the potential of those returning to work to secure skilled labour.



Outcomes

User numbers

The information platform www.perspektive-wiedereinstieg.de is visited by approximately 250,000 users every month. Almost 5,000 people per month use the returning-to-work calculator.

Integration into the labour market

Some 8,065 people have participated in the ESF federal programme “Perspektive Wiedereinstieg—Potenziale erschließen” since mid-2015. Of those who have successfully completed the project so far, almost 60 percent have been integrated into the labour market.

Programmes on care and work

More and more women and men are giving up their jobs to assume responsibilities for care. The ESF federal programme offers tailor-made advice and support.

Digitalisation training

The ESF federal programme offers online training on topics surrounding digitalisation (“PWE@online”).

Outlook

Going back to work:
www.perspektive-wiedereinstieg.de

Returning to work calculator:
www.wiedereinstiegsrechner.de

About the ESF programme:
www.esf-regiestelle.de



Parental Allowance and Parental Allowance Plus

Objective

Parental Allowance is paid to parents following the birth of a child. It is paid if the parents have less available income because they temporarily work fewer hours or not at all after the birth. Parental Allowance thus secures the income situation for families. It also promotes equal sharing of family and work-related responsibilities and tasks between women and men. With its reserved partner months, the relatively high payment of 65 percent of net salary or wage and the possibility of receiving Parental Allowance Plus in parallel for a period of twelve months, Parental Allowance is partnership-based and makes it easier for mothers and fathers to reconcile work and family life. There are three versions parents can combine:

- **Basic Parental Allowance:** Granted for twelve months. If both parents apply for at least two months for Parental Allowance, 14 months are granted.
- **Parental Allowance Plus:** One month of Parental Allowance becomes two months of Parental Allowance Plus: parents can receive Parental Allowance Plus twice as long as Parental Allowance. If parents do not work after the child's birth, Parental Allowance Plus is half the amount of Parental Allowance. If parents work part-time, the monthly Parental Allowance Plus can amount to the monthly Parental Allowance with income.
- **Partnership Bonus:** Parents each get an additional four months of Parental Allowance Plus if both parents work four months part-time of 25 to 30 hours without disruption.

Parental Allowance can also be applied for digitally.

Target group

Mothers and fathers are entitled to claim Parental Allowance. Provided that they live in Germany, look after and raise their child themselves, and live in the same household as the child. When taking parental leave, parents can work up to 30 hours a week.

Outcomes

Fathers claiming Parental Allowance

The proportion of fathers claiming for children born in the third quarter of 2017 was 41 percent. By comparison, only three percent of fathers claimed child-raising allowance before Parental Allowance was introduced.

Parental Allowance Plus

26 percent—in some regions up to 35 percent—of parents claimed Parental Allowance Plus in 2018.

Partnership Bonus

In 2019, 27 percent of the fathers received Parental Allowance. In 2015 it was only 14 percent.

Overall evaluation

85 percent of parents with underage children rate Parental Allowance as a “good thing” and about two-thirds of parents see Parental Allowance Plus (67 percent) and the Partnership Bonus (62 percent) as a good provision.

Outlook

Information about Parental Allowance:

<https://www.bmfsfj.de/bmfsfj/service/publikationen/elterngeld--elterngeldplus-und-elterzeit-/73770>

Parental Allowance calculator:

<https://familienportal.de/familienportal/rechner-antraege/elterngeldrechner>

Claiming Parental Allowance online:

<https://familienportal.de/familienportal/rechner-antraege/elterngeld-digital>

Legislative measures



3 The Transparency in Wage Structures Act

Objective

The aim of the Act is to put into practice the principle of equal pay for equal work and work of equal value. One reason for pay inequality in Germany is that many pay systems and pay regulations are not transparent, which can result in unwanted and unconscious inequalities in pay between women and men.

Target group

Employees, employers and works councils.

Outcomes

- The taboo subject of not talking about money was broken with the debate surrounding the Act.
- When the Act was evaluated, 45 percent of the companies with more than 500 employees surveyed said they had reviewed their pay structures voluntarily.
- Employees have a right to obtain information about their own pay and the pay of a peer group.

Outlook

Further information is available at, for example: <https://www.bmfsfj.de/bmfsfj/themen/gleichstellung/frauen-und-arbeitswelt/lohngerechtigkeit/entgelttransparenzgesetz>

**ÜBER GELD
SPRICHT MAN!
NICHT.
#ENTGELTTRANSPARENZ**

Equal Pay Day

Objective

Equal Pay Day draws attention to the pay gap between women and men and its causes. The aim is to stimulate the public debate on pay inequality and mobilise the relevant actors (politicians, trade unions and employer associations) to tackle the pay gap with appropriate approaches, solutions and measures. Each year, the action day marks the day until which women have to work beyond the end of that year to match their male counterparts' pay from the previous year. According to the Federal Statistical Office, in 2019 the gender pay gap amounted to 20 percent. When converted, this results in 77 days—meaning that in 2021, for example, Equal Pay Day takes place on 14 March.

Target group

Broad public, policymakers, trade unions and employer associations.

Outcomes

From action day to permanent campaign

The action day, which was first held in Germany in 2008, has since grown into a year-round campaign. Thousands of people participate every year.

Activities held in public

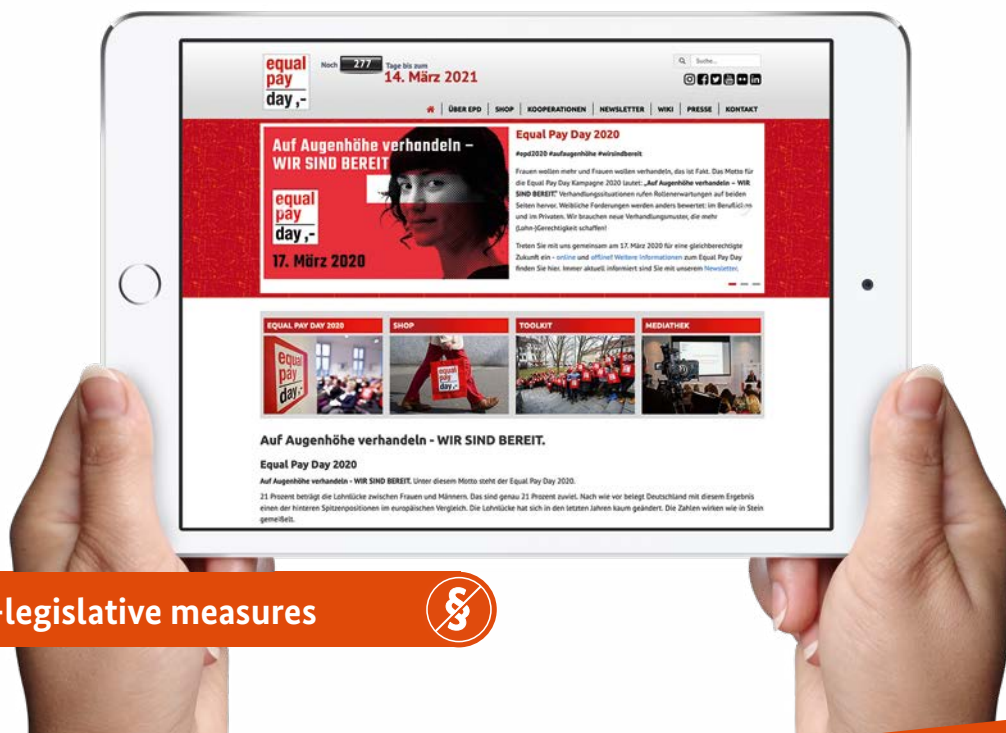
Every year, Equal Pay Day is accompanied by a wide range of creative, nationwide public awareness campaigns.

Causes and solutions

The annual campaign addresses different causes each year and promotes approaches that can be used to close the gender pay gap, thus keeping the issue alive in people's minds.

Outlook

Ideas for activities, studies, background information and more: www.equalpayday.de



Non-legislative measures



5

Point of arrival: Conclusion

Even in the 21st century, enabling independent livelihoods for women and men and enforcing equal pay remains a difficult and lengthy task. The causes of pay inequality are complex, they are interrelated and they each impact the others.

The many policy and legal reforms of recent years have contributed to the fact that more women and mothers now work. For them, this has also significantly reduced the length of family-related breaks from work. But women still work fewer hours than men nonetheless. It is not enough, however, to interpret the choice of occupation or the decision to work part-time simply as the result of women's individual freedom to choose. Rather, both the institutional framework and prevailing social values and norms influence ideas about which occupations are perceived as "suitable" for women or men and which roles are perceived as "right" for mothers and fathers.

Several aspects contribute directly and indirectly to maintaining horizontal and vertical segregation in the labour market. And this gives rise to a range of disadvantages—especially for women, but also for men who want to share paid work and unpaid care work equally as partners. To achieve equal pay for women and men, social evaluations of female- and male-dominated occupations and sectors must be called into question. This also requires a gender-sensitive reassessment of activities and jobs. Typically "female" jobs, occupations and sectors are still not valued very highly, which goes hand in hand with low wages and salaries for the predominantly female employees.

And in many cases, it remains difficult for women to move up the career ladder in the same way as men. This is because many human resources managers still assume that women who are mothers interrupt their careers or work part-time. As long as management positions are understood exclusively as full-time positions, this means a considerable disadvantage for women's careers.

The fact that the pay gap between women and men has barely closed in recent decades suggests that it is not enough on its own to provide women and men with equal educational opportunities or to bring the employment rate of women into line with that of men.

If equal pay is to be achieved, the world of work must change. This includes upgrading so-called women's occupations as well as rethinking what is meant by "normal employment arrangements" and "normal employment biographies". Career breaks and temporary part-time work should be seen as a natural part of working life, and employees should not be disadvantaged in respect of their long-term incomes. This means breaking down gender stereotypes in career and study choices, and promoting women in management positions.

The crisis in the labour market caused by the COVID-19 pandemic must not be allowed to further exacerbate the inequalities that already exist. What the crisis does do, however, is provide us with an opportunity to take a new look at equality and to no longer perceive it as a "luxury" or "nice to have". The esteem in which many occupations are being held during the crisis must be transformed into new value standards for those occupations, and those jobs should be upgraded financially as well. In addition, flexible working hours and forms, such as working from home, can provide an opportunity to redistribute unpaid care work between women and men within the family setting. To aid that process, measures are also needed to promote equal sharing between partners of paid work and unpaid care work, along with good childcare facilities and the provision of services for relatives in need of long-term care.

There is still much that needs to be done to ensure that the goal of equal pay is achieved. Part of that effort requires action on the part of policymakers, parties to collective bargaining agreements and companies big and small. If that action is taken, it would be a huge step forward on the road to equal pay.

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