

# Exchange of good practices on gender equality

## Equal Pay Days

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## Comments Paper - Germany

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# Equal Pay Day in Germany

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## 1. Description of the main elements of the Equal Pay Day campaign in Germany

### 1.1. Background and general policy context of Germany concerning the gender Pay Gap

Still, women in Germany on average earn 22 per cent less than their male colleagues. In terms of an EU-wide comparison, this puts Germany third from the bottom. There is still a clear divide between Western Germany (24 per cent) and Eastern Germany (6 per cent). The **adjusted** wage gap is calculated on the basis of the earnings of women and men with the same individual characteristics, i.e. comparison is made between women and men with the same educational status, working in the same occupations and sectors, and with the same form of employment like full-time, part-time, “mini-jobs” etc. The adjusted wage gap measures 7 per cent.

In accordance with the EU Commission, the Federal Ministry of Family Affairs, Senior Citizens, Women and Youth (BMFSFJ) embraces a **strategy for combating pay inequality which addresses its major causes**. As various studies commissioned by the Ministry have found, there are three main causes of the gender pay gap:

- **Women are missing in certain professions, sectors and on the upper end of the career ladder:** The horizontal and vertical segregation of the labour market along gender lines continues to be a reality.
- Women **interrupt their careers** and **reduce their working time** for family reasons more frequently and for longer periods than men.
- Individual and collective **pay negotiations** have not yet succeeded in effectively overcoming the traditionally low evaluation of female-dominated professions.

As equality of pay is a **key indicator of equality between women and men; overcoming pay inequality** is a central concern of gender equality policy. The individual factors making up the three complexes of origins listed above are manifold and related to one another in a complex way. With regard to overcoming the different origins of pay inequality, the actors involved have different capacities. Thus in order to make progress, all individual measures must be brought together in a **strategic alliance**. The co-operation of all partners, i.e. political actors, social partners, employers, female employees and industry associations is crucial.

For Germany the second complex of origins – family related employment breaks and reductions in working time – is of special significance. One major task in this context is to create favourable framework conditions supporting mothers and fathers

in reconciling the needs of family and working life. Over the past few years, the Federal Government, with its family and gender equality policies, has taken very decisive action in this respect. The extension of day care facilities for children – in particular for the under three-year-olds – improved tax deductibility for child-care costs, the parental benefit as a compensation for wage losses and its ‘partner months’ are all measures which facilitate the reconciliation of family and working life for women and men and which support the equitable distribution of child-care duties between them. Furthermore the action programme “Perspective Re-entry” (Perspektive Wiedereinstieg) supports women who have interrupted their career for several years for family reasons and who now wish to return to the labour market. The broad-based initiative organised in co-operation with the Federal Employment Agency assists institutions at the local level in establishing support networks for women wishing to return to work, and in enabling a professionally qualified return to work after a family-related employment break.

To overcome the vertical and horizontal segregation, the Federal Government’s equal opportunities policy is making a major contribution to broadening the choice of occupations and careers of both women and men, as well as improving their overall professional opportunities. Diverse programmes with various partners have been implemented (Chapter 4).

The third complex of origins is mainly concerned with how wages and salaries are determined and set. It deals with the issue of job evaluation within collective agreements and wage negotiations.

In Germany companies can investigate their situation with regard to equality using two different computer programmes: Logib-D [www.logib-d.de](http://www.logib-d.de) and EG-Check [www.eg-check.de](http://www.eg-check.de).

Over the past seven years, the Federal Government has paid increasing attention to the issue of pay inequality. However, the Gender Wage Gap is relatively stable. Numerous initiatives encourage young women and men to open up their career paths and thus to overcome the traditional divisions in the labour market. The General Equal Treatment Act (*Allgemeines Gleichbehandlungsgesetz* - AGG) offers opportunities for the judicial review of decisions on promotion and preferential treatment. However to enforce the law is difficult, because generally the concerned woman fights alone.

## 1.2. Equal Pay Day in Germany

On 15 April 2008, Business and Professional Women (BPW) Germany organised the first Equal Pay Day in Germany and in 2009 BPW International launched the worldwide campaign in New York. The campaign was endorsed by the German National Council of Women and numerous women’s associations. Its aim was to disseminate information on the gender pay gap and to encourage women to take the initiative and address the issue of unequal pay in a more proactive way. With the second Equal Pay Day on 20 March 2009 a National Action Alliance for Pay Equality was implemented on the initiative of BPW for three years, with financial, conceptual and research support of the BMFSFJ. Members at this time were the Federal Association of municipal offices for women and gender equality bodies (FOPH), the Federal Association of German employers (BDA), the German women's Council (DF) and the Association of German entrepreneurs (VdU). The Alliance could mobilise nationwide about 60,000 citizens and recorded approximately 180 actions

in the first year. 2010, there were already 259 actions in 173 towns and cities with at least 70,000 activists. The figures rise yearly and in 2013 nationwide over 1000 actions have been reported.

The National Alliance could only take unanimous decisions. The result was a lack of flexibility often due to the different attitudes, especially of the employers. BMFSFJ and BPW, as the responsible partners, agreed on a new structure of Cooperation for the on-going second phase of the project funding. A steering committee was put in place, consisting next to BMFSFJ and BPW of a representative of the National Working Group of Local Government Officers for Equal Opportunities (*Bundesarbeitsgemeinschaft Kommunalen Gleichstellungsbeauftragter - BAG*), the Trade Union ver.di and the Organisation of Women in rural areas (Deutscher Landfrauenverband).

Since 2009, the date of the Equal Pay Day is calculated accordingly to current figures of the Federal Office for statistics. **The Equal Pay Day symbolises the pay gap through a period of time – following the motto: money is time - time is money.** The nationwide joint Equal Pay Day enables a much more effective media work.

### 1.2.1. Equal Pay Day Office

The BPW Germany Equal Pay Day Office, funded by the BMFSFJ, opened its doors in September 2011. The Office has a variety of tasks: keeping the theme of Equal Pay on the political agenda throughout the year, handing out campaign material supporting the uniform occurrence of actions such as red bags and flags with the printed label of EPD and offering guidance for events, advertising and ready information about the annual focus of the EPD - so called "EPD Toolkit". We provide movies, power point presentations, flyers, various guidelines, drafts for invitations and press releases and other supporting tools. The EPD Office regularly updates the website and publishes the nationwide actions on an online map („Aktionslandkarte“) which facilitates the finding of the actions in the last corner of the country. Another task is the evaluation of the results: actions, number of press articles and so on.

### 1.2.2. Forum Equal Pay Day

The Forum Equal Pay Day is a congress series for opinion leaders with the aim to spread the major EPD topic of the year nationwide, following a top-down strategy. In particular action groups and women's organisations are addressed throughout Germany, to facilitate the needed information for their actions on the street, to raise awareness on this issue.

After years of addressing the unadjusted pay gap a countermovement has evolved, which considers the procedure to be frivolous. Therefore we believe it is necessary to explain the different proportions of the pay gap piece by piece, which we carry out with the help of major topics. The priority theme of the year addresses one of the sources in a special way and shows the combined effect of multiple causes.

A total of five forums were organised for the preparation of the priority theme 2013 "Wage determination in the health professions – too much service, too little merit": an opening event in Berlin followed by Hamburg, Dresden, Stuttgart and Düsseldorf. Video recordings were made and offered as tools for in-depth information or use in

other events. In addition the main lectures, supplemented by photos and other contributions, were combined in a print publication called EPD journal 2013. 20,000 journals were distributed to women's organisations, gender equality offices, media representatives and other interested parties.

### 1.2.3. Actions on Equal Pay Day

To give all action teams more freedom in the planning of their own Equal Pay Day Event, we have extended the promotion period. The action weeks begin on the international women's day (8 March) and last extended up to the statistically calculated Equal Pay Day on 21 March 2013. A wide variety of actions takes place every year:

- Successful cooperation on national and regional level with equal opportunity commissioners, political parties, women's confederations, economic associations, trade unions, employers and companies.
- Valuable discussions of the annual priority theme on a high quality level.
- Extensive media coverage, especially on the Internet, TV and in print media.
- Merchandising goods are highly requested and sold, top seller: red bags and flags.
- Great demand for the annual Equal Pay Day Journal, which was perceived as a professional journal with expert approach on the priority theme, as well as the E%TRABLATT, the popular edition.
- By hoisting the Equal Pay Day flags to city halls and other public buildings a concerted action throughout Germany was realised.

## 1.3. Priority Theme 2014

### Mini-Job and Part-Time after employment break

It has become obvious that taking up a mini-job or part-time work has a long-term negative effect on earnings as companies assume that during part-time work or mini-jobs **less enterprise-specific practical know-how** will be gained. For women in part-time employment the income prospects deteriorate and access to the career ladder supposedly becomes more difficult.

Mini-Jobs are a widespread form of employment with an originally statutory limit to 15 hours a week. They were introduced in the 1970s as a way of uncomplicated side-line for full-time employees. They therefore renounced its own social security (health insurance, pension insurance, unemployment insurance). Time limit was abolished with the labour market reform 2002 as the limit of the monthly income was raised from 400€ to 450€. This form of employment with minimal pay and no social security is predominantly offered to women after the parental leave. It has proven to be a dead end for further career steps and is responsible for 2% of the gender pay gap in Germany after evaluation by the Federal Statistical Office.

Moreover, switching from full-time to part-time employment is often associated with a loss of professional status. According to the German Business Institute's study, 25% of women changing from full-time to part-time work have to accept a downgrading regarding their professional qualifications required for the respective job.

## 2. Legal Framework

The principle of "equal pay for work of equal value" has been an integral part of the applicable law in the EU treaties - Article 119 in the Treaty of Rome (1957) - and in the General Equal Treatment Act (*Allgemeines Gleichbehandlungsgesetz* - AGG) for a long time. However, the tax law (joint assessment of spouses) as also the non-contributory co-insurance in the statutory health insurance stabilise the traditional familiar role allocation.

Current initiatives of political parties propose regulations to gender-equitable job evaluation. These activities can be seen in connection with the upcoming general election in September 2013 in Germany. The political leaders want to express that they recognised the need for further action. Possibly the Equal Pay Day campaign supported this process of cognition.

However enforcing the law is difficult, because generally the concerned woman fights alone. To shift this risk to all comparable cases in the enterprise, women's organisations have been requesting for a long time a representative action. The applicant can rarely prove unequal treatment in the process due to lack of specific knowledge of the internals. Therefore, women's organisations in addition request a reversal of the burden of proof.

## 3. Transferability issues

### 3.1. Belgium

#### *Positive*

Since 2006 supported by trade unions. Through the new social media especially young people are addressed and get involved.

#### *Negative*

The national action day is on different dates. Maybe one day of action would be more effective, especially concerning the media coverage, which is of high importance to reach the local population. Employers should also participate and also the involvement of more women's organisations should be pushed.

### 3.2. Spain

#### *Positive*

One date for EPD. The implementation and monitoring through the government. Also trade unions could be gained as partners. The issue of wage inequality is widely spread through a lottery, which seems to be a quite inexpensive and effective way to spread the information.

Note: a very cost-effective way of spreading the theme is using the internet.

### 3.3. Estonia

#### *Positive*

One date for EPD with a witty wordplay. Creative actions taking place with discounts in restaurants, as well as an effective use of the internet as a platform for raising awareness.

#### *Negative*

Discounts must be explained by trained restaurant staff. Note: collect and implement an action landscape on the internet, so the actions gain perspective.

## 4. Recommendations for annual priority themes

We believe it is necessary to explain the different proportions of the pay gap piece by piece, which we carry out with the help of major topics. The priority theme of the year addresses one of the sources in a special way and shows the combined effect of multiple causes. In the following we share the topics of the last three years:

#### **2011: role stereotypes**

Before the establishment of the Equal Pay Day office, there was a National Alliance for Equal Pay Day. The Federation of women's associations in Germany, the organisation of employers and the local equality commissioners had to take decisions concordantly which was difficult due to the oppositional stance of employers. The Alliance could not effectively work on critical issues. A compromise also as a recommendation in similar situations was the topic „Role stereotypes“. For Germany the **family related employment breaks and reductions in working time** are of special significance. Consequently, we have chosen this theme for the upcoming EPD 2014.

#### **2012: wage determination**

The fifth Equal Pay Day on 23 March 2012 dealt with the theme of "Wage determination" as such. Our key issues were:

- What factors determine wage levels?
- Who controls wage levels?
- What must change to close the wage gap?



### **2013: wage determination in the health professions – too much service, too little merit**

Thematically, we have put the health care professionals at the heart of our actions on 21 March 2013 because the vast majority of people employed in the health professions are feminine. Their professional and social competence is not adequately rewarded because job evaluation does not take all criteria into account, especially the social competence. There is no extra pay for lifting heavy loads in the health professions, which on the other hand is quite common e.g. in the waste disposal and construction field.

With the monetary undervaluation of a large, predominantly female occupational group (80% of 2 Million employees) in the services sector, a fifth of the wage gap of 22% can be explained. A reasonable appreciation contributes not only significantly to the job satisfaction of employees, but also to the closing of the wage gap. This closure is our essential objective on Equal Pay Day.

Another reason is that only with reasonable pay and attractive conditions in times of shortage the offspring, needed to maintain the existing infrastructure, can be recruited. A good and affordable infrastructure for sick and old people is essential for all working women, aiming at a continuous employment and a rise in management positions in the exercise of their learned professions.

Employers also benefit from improved income opportunities for women and men in health professions, because it supports the company in permanently retaining proven professionals.

## **5. Recommendations for action**

### **Bundling the activities on a single “Equal Pay Day”**

In Germany, the success over the past years has proven that the most efficient way to disseminate our issues is by declaring nationwide one single day (calculated on the actual pay gap) each year and declare it (soon after the just passed EPD) as the "Equal Pay Day" for the next year. The actions can certainly take place on different days. To give all action teams more freedom in the planning of their own Equal Pay Day Event, we have extended the promotion period. The action weeks begin on the international women's day (8 March) and last up to the statistically calculated Equal Pay Day, which in Germany until today lies stable in the second half of March. To work on this single day - facilitating the planning of action groups in various cities alleviates the organisational work for all parties. A single date also ensures the specific attention of the media for the theme.

### **Integration of all social groups**

BPW Germany hears again and again, that the broad base and support in all social groups of the campaign is perceived as something very special. Not only trade unions, but also Christian women's organizations, political parties, NGOs and organizations of business women are engaged. Associations of women in business have employees and employers as members. This is very well picked up especially by the media.

### Uniform appearance and priority themes

The experience shows that a uniform appearance (logo, priority theme) is useful for a highly valued recognition.

We are very interested to know the opinion of other European countries about what could or should be done on national and European level to better promote the Equal Pay Days and to increase awareness on the need to reduce the gender pay gap in every country. We believe the above mentioned recommendations should be part of a European Union wide strategy.

### Programmes implemented by the German Federal Government

Programmes implemented in co-operation with various partners such as the “Girls’ Day” or “Komm, mach MINT” encourage girls and young women to opt for professions which are commonly regarded as “untypical” for women and which they might have given only little consideration so far, in order to broaden the range of their occupational choices.<sup>1</sup> In addition, the Federal Government also funds initiatives aimed at improving women’s career opportunities e.g. the website [www.frauenmachenkarriere.de](http://www.frauenmachenkarriere.de). It offers comprehensive information for women wishing to develop their career or to start a business. Another website, [www.flexiquote.de](http://www.flexiquote.de), compares large German companies according to the share of women in leading positions. However, in the German society there is a big discussion about the way to get more women in leading business positions. One part campaigns for fix quota of females in Executive boards and another part disapprove legal female quotas.

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<sup>1</sup> At the same time, the Federal Ministry for Family Affairs, Senior Citizens, Women and Youth (BMFSFJ) has also turned its attention to the career choices and life-planning of boys and men. Thus in 2005 it has launched the national programme “New Paths for Boys” (*Neue Wege für Jungs*) and in 2011 the Boy’s Day was started.