

Population & Societies

Are women more economically active in Germany than France?

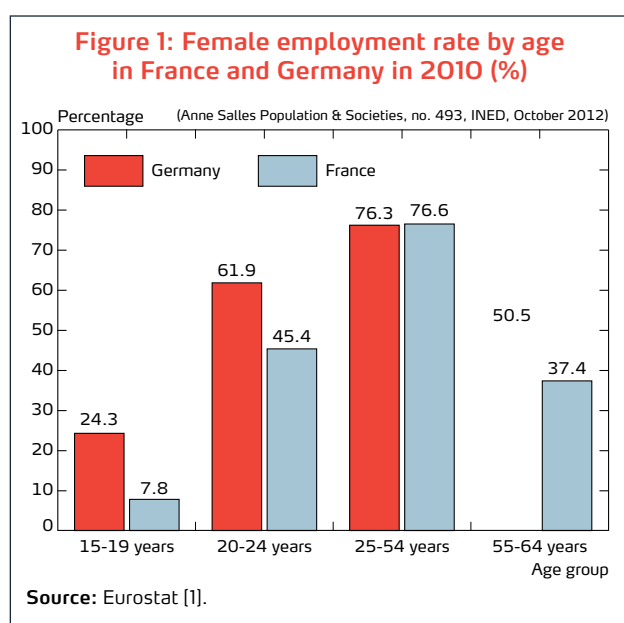
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The German labour market is in better shape than that of France, and the employment rate among women in particular is higher. This is true even though German women have more difficulty reconciling work and family life than in France. Anne Salles takes a critical look at employment indicators and how they are calculated, and explains why German women appear to be more economically active than French women, and what is really happening in the two countries.

The proportion of women in employment is higher in Germany than in France, at least according to the employment rate⁽¹⁾ statistics published by Eurostat. [1] This rate was 66% in 2010 for German women aged 15-64 years, versus 60% for French women. Moreover, the gap between the two countries has widened since 2002, when the respective rates were 59% and 56%.

At first glance, this statistic is surprising. Germany continues to be characterized by a traditional family model where the man is the main breadwinner. Women often stop working or reduce their working hours after becoming a mother, while women in France are more likely to continue in employment after their children are born. [2] What, then, explains the increase in women's employment rate in Germany and the growing gap with France?

Figure 1: Female employment rate by age in France and Germany in 2010 (%)



A higher proportion of young women and seniors in employment in Germany

The gap in employment rate between Germany and France is most marked among the youngest and oldest women (Figure 1). The rate for women aged 15-19 is three times higher in Germany than in France, and among those aged 20-24, the gap is still 16 percentage points. This is explained by the substantially lower proportion of high school graduates in Germany, where young people tend to leave school early to begin an apprenticeship. Alternating work/study programmes and student jobs are more widespread in Germany than in France.

Similar gaps in employment rates can be observed among seniors. In Germany, 50% of women aged 55-64

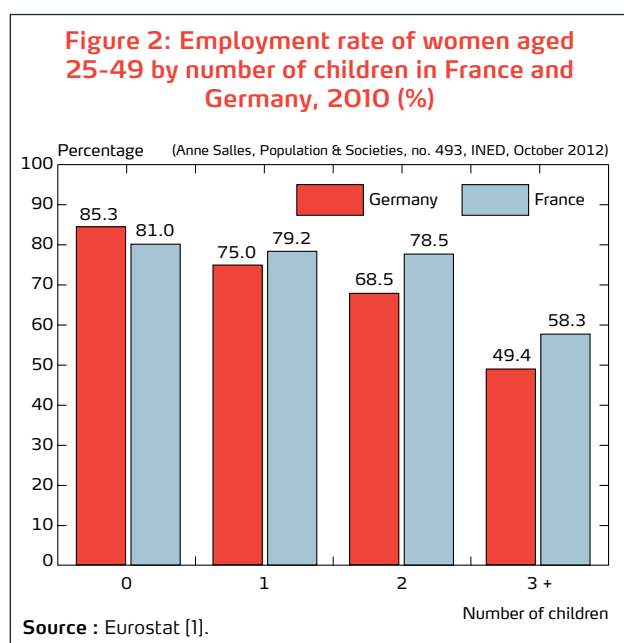
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(1) Proportion of people in employment under the International Labour Organization (ILO) definition: includes all individuals declaring that they worked at least one hour over the week preceding the survey.

are in employment, versus 37% in France. The employment rate of women in this age range in Germany has doubled since the mid-1990s, and is now markedly higher than the European Union average (39% in 2010). The rate also increased in France over the same period, but by only half, rising from 25% in 1994 to 37% in 2010. The employment rate of women aged 25-54, on the other hand, is practically the same in the two countries. It has been slightly higher in Germany since the end of 2010, according to quarterly data.⁽²⁾

A high proportion of working mothers in France

After age, the second factor underlying the observed differences is women's family status. While women's employment rate in Germany is higher than in France for all age groups and education levels, the situation is reversed when only mothers are taken into account. The proportion of working mothers is higher in France than in Germany, regardless of number of children (Figure 2).



In France, the gap in employment rate between childless women and those with one or even two children is fairly small. The rate drops by only 1.8 and 2.5 percentage points, respectively, in these two cases. In Germany, the drop is more marked, at 9.7 and 16.8 points: German women's labour force participation decreases substantially starting with the first child, whereas labour market withdrawal begins only with the third child in France.

(2) Level of qualification also plays a role. The gap between Germany and France is larger for women with intermediate and higher qualifications, whereas the employment rate among low-qualified women is practically identical in both countries.

The number of children plays a role, but so does their age. In Germany, fewer than a third of women with a child under 3 are in employment, versus 60% of those whose youngest child is aged 3-5. In France, mothers' employment rate is higher than in Germany, regardless of their children's age. The differences by age of the youngest child are less marked, reflecting a stronger tendency to carry on working even with young children. Child care is much more readily available in France than in Germany, and working mothers are better accepted. There is still a widely held belief in Germany that a "good mother must take care of her children herself, not go to work and leave them in a nursery all day".[3]

Why, then, is the employment rate among women of childbearing age similar in the two countries, yet higher among mothers in France regardless of the age or number of children? The explanation is essentially a structural one. Childless women are more economically active than mothers, and the former make up a higher proportion of the population in Germany than in France. Some 14% of German women born between 1949 and 1953 are childless, and 22% of those born between 1964 and 1968, versus 10% of French women born in 1950 and 12% of those born in 1965. [4, 5].

A healthier labour market in Germany

Germany's labour market is in better shape than that of France despite a series of economic crises. While unemployment remained high in Germany until the mid-2000s, it has fallen substantially since then, down to just 5.6% among women in 2011, versus 10.2% in France. Among young women under 25, the difference between the two countries is especially large, with an unemployment rate three times higher in France than in Germany in 2011 (24% versus 8%).[1]

The drop in the German unemployment rate can be explained in part by labour market reforms, notably the Hartz laws, which increased pressure on the unemployed and encouraged them to look for work. [6] These reforms targeted the youngest and oldest age groups in particular.

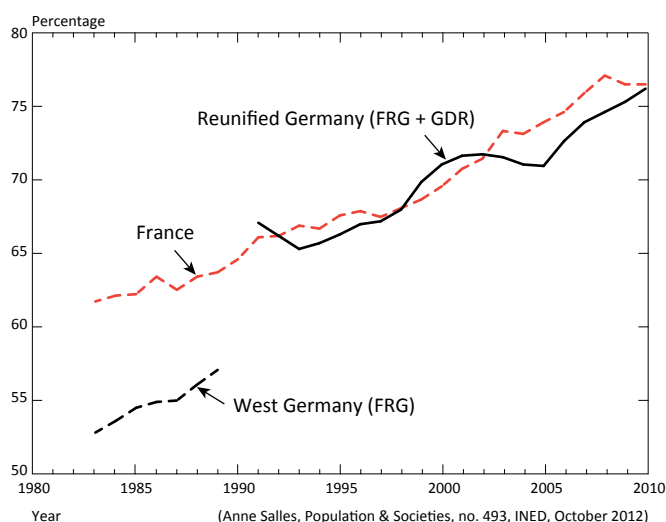
The employment rate of seniors has increased more in Germany than in France. To fight unemployment and increase the number of people in work in a context of demographic decline, the German government has increased the retirement age to 67 years. It has also introduced numerous measures to keep seniors in employment, by offering greater flexibility in their recruitment and reforming part-time working for older workers, for example. While the success of these measures has been variable, they have encouraged workers to delay their departure from the labour market in order to maximize their pensions, and have led to greater acceptance of older workers in Germany.

Box

German reunification and female employment rate

Before reunification, women were more economically active in East Germany (GDR) than in West Germany (FRG). East Germany developed a policy for reconciling work and family life from the 1970s, with the aim of keeping women in employment in a context of labour shortage. The contribution of the new Länder (regions) to reunified Germany led to a strong increase in the female employment rate: 67% in 1991 among 25-54-year-olds in the newly unified GDR + FRG, versus only 57% in 1989 in West Germany (Figure 3).

Figure 3: Change in employment rate of women aged 25-54 in France and Germany (%)



Source : Eurostat [1].

Part-time work more common in Germany

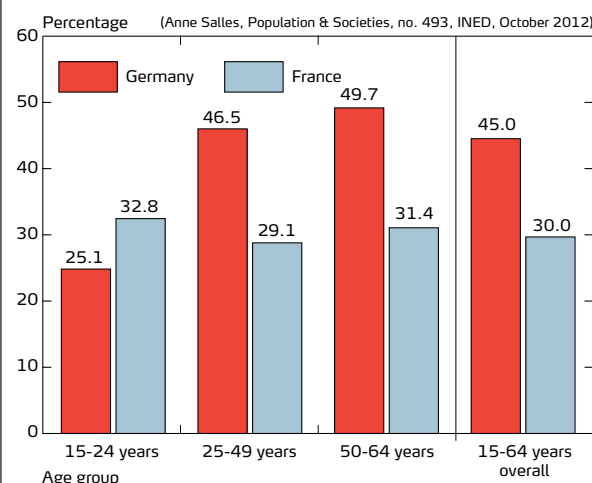
The increase in the German employment rate is explained in large part by the increasing prevalence of part-time work. The proportion of employed women who work part time rose from 30% in 1989 to 45% in 2010, placing Germany in second place in Europe behind the Netherlands, far ahead of France where this proportion stood at just 30%. In Germany, this increase was accelerated by the labour market reforms initiated by the Schröder government, which focused on low-wage employment. These reforms made it easier to employ people on precarious work contracts and partly absorbed the mass of unemployed individuals with low qualifications. The last ten years have seen considerable growth in the number of “mini-jobs,” limited to a maximum net wage of 400 euros per month. Women, in particular, gravitate toward these jobs, which are easier to reconcile with family life since child daycare provision remains very limited in western Germany: only 8% of children under age 3 were enrolled in daycare in 2011 (36% in the east, in the former GDR). In three-quarters of schools, children go to school in the morning only. While women hold 41% of jobs in Germany, the proportion rises to 66% for mini-jobs held as a primary job. [7]⁽³⁾

In general, part-time employment is strongly correlated with the presence of children, and this is particularly true in Germany: two-thirds of working mothers of children under age 15 work part time,

versus only a third in France. In France, on the other hand, part-time work is most common among the youngest women, not among women of childbearing age (Figure 4). While in Germany part-time work offers a means to reconcile work and family and to remain in the workforce, in France it is more a means to gain entry into the labour market, and is often perceived as a factor of poverty and a loss of human capital. [8]

Furthermore, in Germany part-time working corresponds to a substantially lower volume of hours: German women in part-time jobs work 18.6 hours per week on average, versus 23.3 hours in France.

Figure 4: Proportion of women working part-time among active women in different age groups in France and Germany in 2010 (%)



Source : Eurostat [1].

(3) The fact that any employee of a company with at least 15 employees has the right to work part-time also favours this type of work, as does a specific tax benefit for couples with a large wage difference (Ehegattensplitting).

Consequently, although weekly working time is higher in Germany than in France, the number of hours worked by women, in all categories combined, is higher in France. Women work an average of 34.7 hours per week in France versus 30.5 hours in Germany. [1]

Because of the low female working hours in Germany, the full-time equivalent (FTE) employment rate is substantially lower in Germany than in France. For the entire population of women aged 15-64, it is 45% in Germany versus 53% in France. Although Germany has one of Europe's highest female employment rates, German women's FTE employment rate is well below the European average. [9]

The female employment rate in Germany has been growing considerably, and is higher than in France. But this observation must be qualified. The increase in the German rate is due first of all to the growth in part-time work, and has not led to an increase in the full-time equivalent employment rate. In other words, what has been happening is not so much a growth in women's employment as a redeployment. The hours worked remain proportionally higher in France, where women favour full-time employment, but they are spread across a smaller proportion of women. This observation highlights the limitations of the indicators used by the European Union in its recommendations. Germany has indeed attained and surpassed the objective of a 60% female employment rate, whereas France lies just below this level.

French women are no less active in the labour market than German women, but they are differently so: they enter later and leave earlier; a lower proportion are employed, but work longer hours; more are unemployed, but work is more evenly distributed across different categories. It is indeed precisely because mothers' employment has long been accepted in France and is treated as the norm that the differences in labour market participation by level of education and family status are smaller than in Germany. In Germany, on the other hand, acceptance of working mothers is recent and not yet firmly anchored, which explains the large differences in employment rates by education and family status. It will surely take time for working mothers to establish their legitimacy in German society, making it possible for employment to be more evenly distributed among women and for women to work longer hours – and thus for mothers to be fully-fledged members of the labour force, rather than just "secondary wage earners".

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Abstract

The employment rate of women in Germany has been rising steadily, and exceeds that of France (66% versus 60% in 2010 according to Eurostat). But this observation must be qualified. The growth in the German rate is due mainly to the increase in part-time work (45% in Germany and 30% in France among working women aged 15-64), and the full-time equivalent employment rate remains higher in France than in Germany. French women are no less present in the labour market than German women, but their pattern of employment is different: they enter the labour market later and leave it earlier, a smaller proportion are in employment, but they work longer hours, and they more frequently continue working when they have children. Childcare is more widely available in France than in Germany and working mothers are better accepted. In Germany, there is still a widely held belief that good mothers should take care of their children themselves and not leave them to go out to work. Mothers thus tend to remain confined to a role of secondary wage earner.