



Germany 2004

Reconciliation of Work and Family Life

Synthesis Report

Compiled by
Jürgen Schumacher
Peer Review Manager



on behalf of



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Executive summary

The issue

Problems in reconciling work and family life exclude mothers from the labour market. As the vast majority of mothers endeavour to undertake paid employment and follow a professional career this is a problem for all families, because it reduces the possible family income. However single mothers and large families are particularly badly affected by this problem. Almost one-third of single mothers in Germany live below the poverty line. Due to the lower labour market participation of mothers of large families, families with three or more children have a much higher risk of falling below the poverty line than families with one or two children.

Reconciliation problems are also an important factor in deterring couples from having children and so contribute to the decrease of birth rates. Low birth rates negatively affect both economic growth and the stability of social protection systems. In Germany both labour market participation rates of mothers and fertility rates are well below the average. Studies show the possible economic and social impact of policies designed to reconcile work and family life.

All European countries are concerned about low birth rates and the consequent economic and social exclusion risks, and accordingly emphasise the issue of family and work, but in different ways.

Childcare facilities have improved quite a lot all over Europe as the proportion of employed mothers has risen. The examples of France and the Scandinavian countries show the positive impact of whole-day childcare facilities on the labour market participation of mothers.

Since the late 1990s family policy in Germany has been redirected: it has moved away from the 'breadwinner model' comprising an employed husband and a housewife that was formerly promoted in Germany. Now the employment of mothers is promoted, but still not in the sense of fully equal labour market participation, rather in the sense of a 'modified breadwinner model' with the husband working full-time and the wife working part-time.

Childcare facilities in Germany need to be greatly improved in order to make the full labour market participation of women possible. It would be of great help if



enterprises could be motivated to take up the issue of family friendliness. The vast majority of enterprises in Germany are quite reluctant to take up this issue, and working conditions often still follow the single breadwinner model.

The German policy presented is a contribution towards a more family-friendly society, which means taking the needs and demands of families seriously into account in all areas of life.

The European context

The reconciliation of work and family is an important issue on the European agenda. In order to take a big step towards equal opportunities, the Lisbon Council in 2000 set the target of increasing female employment to 60% by 2010. In the decision to set up the Community programme to combat social exclusion, access to quality employment is perceived as one of the major pre-requisites of preventing social exclusion.

The reconciliation of work and family life plays an important role within the common objective of the NAPs/incl. to facilitate participation in employment, although framework conditions and specific problems differ at lot among the Member States. Specific attention has to be paid to the cultural background, which defines family roles and obligations.

The good practice example presented: the 'Alliance for the Family'

The overall aims of the 'Alliance for the Family' are to develop a family friendly atmosphere in society in general and a family friendly company culture in particular.

Three measures in the framework of the 'Alliance for the Family' were presented: the study on the microeconomic effects of family friendly measures is based both on empirical findings and model calculations and provides evidence that the implementation of family friendly measures can pay. Thus it can be used as a door opener to start a dialogue with employers and get them committed to issues of family friendliness.



The 'Local Alliances for the Family' aim to get a broad range of relevant actors on board in a specific municipality or region and jointly develop and implement family friendly measures.

The 'Career and Family Audit' is a procedure that enterprises can undergo on a voluntary basis. Through it, family friendly measures already in operation are evaluated, starting points for further action are identified and concrete measures are developed and implemented. A certificate is awarded to companies which go through the auditing process successfully.

Relevance for and transferability to other national contexts

All peer countries welcome the general approach of creating a more family-friendly society, and most of them have already taken measures in this direction. All countries report difficulties in getting some of the relevant actors on board, particularly employers. The instruments and examples of good practice provided by the German policy were therefore very much appreciated and will be taken into account for partial transfer.

As far as the possible transfer of the 'Career and Family Audit' is concerned, some adjustments or extensions of the instrument will be needed in order to make it more easily applicable to small enterprises.

Conclusions and lessons learnt

Factors that hinder the reconciliation of work and family life vary substantially from one peer country to another: they include labour market and working conditions, availability of childcare, availability of elderly care and traditional obligations attached to the mother's role.

Major conclusions are:

- Flexible working arrangements regarding both working time and working place need to be provided under the sovereignty of employees.
- Flexible care arrangements need to be provided to cover unusual working times.
- The quality of childcare has to be mentioned especially as regards children under the age of three.



- Elderly care is an issue of rising importance, because when it has to be provided within the family it is a serious obstacle to female employment.
- Family-related transfer policy needs to be further developed in a direction that promotes rather than hindering the employment of mothers.
- Voluntary commitment of relevant actors and the creation of co-operation networks is the best way to implement family friendly policies.
- On the way to a family friendly society a lot of awareness raising is necessary in order to make the problems of reconciling work and family clear. The impact of traditional cultural backgrounds and their implications for family roles has to be discussed.



1. The issue: reconciliation of work and family life

Problems of reconciling work and family life often lead to the exclusion of mothers from paid employment and to high risks of poverty for single parents and for large families.

In Germany 26% of single mothers are on welfare benefits, and 31% live below the poverty line. Single parents and families with three or more children have a significantly higher risk of social exclusion and above-average poverty rates. Whereas the poverty rate of households with a working single parent was 15% in 1998, for households with both parents working it was only 3.7%. In the same year, the low income rate for single parents was 53.6%, while that for households with both parents working was 29.6%. Couples with three or more children are much more affected by relative income poverty than couples with one child or two children. Poverty in the under-16 age group is almost the same at 13.6% in 2001.

International comparison shows that higher labour market participation correlates with higher fertility (e.g. in France and Sweden). Germany's birth rate and the paid employment of mothers are well below the European average: regarding birth rate, Germany currently ranks 181st out of 191 countries surveyed worldwide.¹ About 1 in 4 women aged 45 has no children. Over their lifetime west German women only earn 43% of what men do. This particularly depends on the number of children they have: those without children earn 85%, while those with three or more children only earn 30%, of male earnings. By comparison east German women are in a much more equal position: even those with three or more children earn 80% of male lifetime earnings. One particular problem group is single mothers, who do not benefit from the tax breaks given to earners.

All European countries emphasise the issue of family and work, but in different ways. In recent decades all countries have launched initiatives on this theme, and all have discussed reconciliation. However the Scandinavian countries emphasise gender equality and have opted for a high level of state support for families. France's policy has been driven by pro-natalist objectives, while Britain is non-interventionist. There are still major differences in the level of support, but the emphasis on the family and work means that these are converging.

1 For more detailed data on fertility rates in Germany see Appendix, Table 1



The success of the French model depends on tax incentives, especially for families with more than two children. France has long had a high proportion of full-time working mothers who take only short career breaks. This is only possible by virtue of a copious supply of day care mothers and whole day childcare. It is part of the culture of French enterprises to hold onto qualified staff while they have children.

Denmark is considered a clear pioneer as regards an innovative family policy as part of an equal opportunity policy. Parents have very extensive rights and the childcare facilities are the best in the world. Denmark has a very high number of working parents, and both parents are supported to reconcile work and childcare. This is accompanied by high financial transfers. Municipalities provide a wide range of services to families and family friendly jobs are an essential part of Danish corporate policy.

In his opening words Mr Ristau-Winkler, Head of Department for the Family, Welfare Work and Active Citizenship, Federal Ministry for Family Affairs, Senior Citizens, Women and Youth, stated that Germany spends a lot of resources on family policy. It is in the top third in the spending league, but the results are relatively disappointing. The government no longer wants to pursue a policy which is 'well meant but not well spent', namely giving families large cash benefits. Rather, it wants to improve family friendliness at the workplace, in terms of working hours and conditions, in terms of the infrastructure (both public childcare facilities and various services provided by other actors) and in terms of a paradigm shift. Its new approach is to think together with other actors in society what can be done at local and regional level to improve family friendliness. It has brought these actors together in local alliances across the whole country. The business community is promoting this policy more strongly than it does in other countries, which is something that Germany might be able to share.

Several feasibility studies and cost-benefit analyses show that the return on investment by companies in family friendly measures is over 25%. As a recent study by the German Institute for Economic Research (*Deutsches Institut für Wirtschaftsforschung, DIW*) shows, the incompatibility of work and family life leads, due to a loss of taxes and social contributions, to less revenue in the budget. Thus, the Treasury would receive €1.1 billion more every year, if 245,000 unemployed university graduates were able to work, if demand-based and qualified childcare was provided. With one million single parents



receiving social welfare benefits who could return to professional life, social welfare providers could save €6.6 billion a year. In addition to that, the public authorities, especially the communities, could make savings in the field of social welfare, which would be of importance to financially weak communities. And last but not least the public authorities and the social insurance providers could increase revenue from the new jobs resulting from the extension of day-childcare facilities.²

From the 'breadwinner model' to the reconciliation of work and family life

For many years, family policy in Germany followed the 'breadwinner model', according to which paid work and breadwinning were part of the male role, while women were responsible for childcare and the household. This model had been subsidised by state family policy for decades, in particular through the instruments of matrimonial tax splitting, health and long-term care insurance without additional contributions for non-employed spouses, and the system of survivors' pensions.

The breadwinner model became inappropriate as not only men, but also women began to see paid work and a professional career as self-evident elements of planning one's life. In this situation a conflict arises between the desire to have a family and children and the desire to follow a professional career. In the vast majority of cases it is women who suffer from this conflict. Thus the reconciliation of work and family becomes a more and more crucial issue.

Moving away from the breadwinner model does not imply equal labour market participation of women and men. Although the employment rate of women in Germany has been continuously rising and reached 58.7% in 2003³ (which is already close to the Lisbon target of 60% by 2010) the prevalent model is women working part-time and men working full-time.

While full-time employment of women is quite frequent in east Germany (the former German Democratic Republic), in west Germany, two in three working

2 See Spieß, Katharina et al. Abschätzung der (Brutto-)Einnahmeneffekte öffentlicher Haushalte und der Sozialversicherungsträger bei einem Ausbau von Kindertageseinrichtungen (Calculation of (gross) income effects for public budgets and social insurances due to an extension of day-care facilities for children). Expertise of DIW Berlin, 2002. On behalf of the Federal Ministry of Family Affairs, Senior Citizens, Women and Youth,

3 See OECD *Employment Outlook 2004* p. 296.



women with children are in part-time jobs.⁴ Of those in part-time jobs, most work more than half the standard weekly working time. As a consequence, many women in Germany – in particular in west Germany – only contribute a small share of the household income and still depend economically on their husbands or male partners.

The government led by the Social Democrats which took over in the year 1998 at first continued the previous policy by increasing cash benefits, but has since changed its emphasis and now aims to improve reconciliation.

The emphasis of this policy was on facilitating and increasing the attraction of the 'modified breadwinner model'. A modified full-time plus part-time breadwinner model is now in the agenda. The last pension reform⁵ upgraded the pension rights of mothers in part-time employment, for example. The right to part-time employment was improved by the 'Law on Part-Time Employment and Fixed-Term Contracts',⁶ as were the options for working part-time during parental leave.

As far as enterprises are concerned it has to be stated that they are quite reluctant to take up the issue of family friendliness. Working arrangements often still correspond to the breadwinner model, which means that the commitment of the working husband is not limited by other obligations such as childcare. Mothers entering into these structures of employment often face serious problems in reconciling work and family.

Working arrangements in many enterprises have been made much more flexible in the last decade, but this can very well mean that flexibility responds much more to the manpower demands of the enterprise than the demands of childcare and family.

The need for childcare arrangements and work flexibility

What would really help to reconcile work and family life are adequate childcare facilities and work arrangements which are flexible enough to meet family and childcare demands.

4 For the whole of Germany, the part-time employment rate (part-time employment as a proportion of employment) was at 36.3% for women (compared to 5.9% for men) in 2003, which means that 83,3% of all part-time jobs were taken by women. See OECD *Employment Outlook 2004* p. 310.

5 *Rentenversicherungs-Nachhaltigkeitsgesetz* (pension insurance sustainability law) of March 2004

6 *Gesetz über Teilzeitarbeit und befristete Arbeitsverträge*, see <http://bundesrecht.juris.de/bundesrecht/tzbfsg/>



Regarding this, a central problem is the public childcare infrastructure, which is still inadequate, particularly in West Germany. Although children above the age of 3 have had a right to a nursery place since 1996, this right does not extend to full-day care places. Moreover, the availability of nursery places differs between the federal states providing an excess supply in East-Germany and not enough available places in states like Hamburg. In addition, Germany is still near the back of the European pack when it comes to children below the age of 3 who attend childcare facilities, with a quota of only 3% in West Germany.

However since the beginning of the second term in office of the Red-Green coalition (2002), the extension of state childcare facilities has been declared a high-priority family policy objective. A programme with a budget of €1.5 billion has been announced for the expansion of childcare facilities for children under the age of 3; a further €4 billion is to be invested in extending the system of full-day schools.⁷ In autumn 2004 a new law (*Tagesbetreuungsausbaugesetz*⁸) envisages the further extension of public childcare for children below the age of 3, with a focus on places for children that need particular support and on children with working parents. Although there will not be a right to a childcare place for small children, the creation of new kindergarten places for small children to meet demand is now the official goal of the government. If the plans are realised, this will presumably improve the situation of many parents, in particular of lone mothers in west Germany.

7 http://www.bmfsfj.de/dokumente/Rede/ix_92921_9182.htm

8 see: <http://www.bmfsfj.de/RedaktionBMFSFJ/Abteilung5/Pdf-Anlagen/gesetztag.property=pdf.pdf>



2. The European context

The reconciliation of work and family life has been an important issue for European social policy for years.

The Resolution of the Council and of the Ministers for Employment and Social Policy on the balanced participation of women and men in family and working life (June 2000) states in article 2:

“The principle of equality between men and women makes it essential to offset the disadvantage faced by women with regard to conditions for access to and participation in the labour market and the disadvantage faced by men with regard to participating in family life, arising from social practices which still presuppose that women are chiefly responsible for unpaid work related to looking after a family and men chiefly responsible for paid work derived from an economic activity”.

It continues in article 8:

“The Lisbon European Council of 23 and 24 March 2000 recognised the importance of furthering all aspects of equal opportunities, including reducing occupational segregation, and making it easier to reconcile working life and family life, and considered that one of the overall aims of active employment policies should be to increase the number of women in employment to more than 60 % by 2010”.

Under these guidelines the Commission has provided various studies, recommendations and other materials on the issue of reconciliation which can be viewed on the Commission’s website.⁹

The Decision of the European Parliament and of the Council establishing a programme of Community action to encourage co-operation between Member States to combat social exclusion (December 2001) says in Article 12: “The fight against social exclusion and poverty requires participation in quality employment and access for all to resources, rights, goods and services, to be facilitated.”¹⁰

The reconciliation of work and family life is recognised as one of the key policy approaches under the common objective to facilitate participation in employment that was agreed in the framework of the Open Method of Co-ordination and to which the NAPs/incl. refer.

9 http://europa.eu.int/comm/employment_social/equ_opp/reconcil_en.html

10 Decision No 50/2002/EC of the European Parliament and of the Council of 7 December 2001 establishing a programme of Community action to encourage cooperation between Member States to combat social exclusion, paragraph 12.



The Joint Inclusion Report of 2005 states that “the decline in the age cohort 0-14 underscores the importance of creating a child-friendly environment including adequate support for early development and basic education”. Concerning family roles it continues: “The increased feminisation of the labour force is reflected in new social demands (e.g., for care facilities for children, elderly and dependent people) and in a new basis for the division of responsibilities within the household.”¹¹

Thus the reconciliation of work and family life is a key issue in making labour market participation possible for both parents, which still in most cases means for mothers as well as fathers. Beyond the importance of the issue for families in general, single parent families and families suffering from unemployment and poverty need special support to enable reintegration into the labour market in parallel to family and care demands.

Since the 1980s, the public provision of childcare has increased substantially in all European countries, mainly as a response to an increasing demand for such services. However the level of governmental involvement remains widely different across the European Union. While in Finland children have a ‘right’ to a place in day-care, the provision of publicly financed childcare is still the subject of much discussion in countries, such as the UK, where until recently a much more private ideology prevailed.

As of 1993, more than 90% of three-to-school-aged children in Belgium, France and Italy were enrolled in publicly financed childcare institutions, while in Finland, Ireland, Portugal, and the UK the share was less than 60%. The coverage of children less than three years old is much lower in all countries. Only in Denmark are half the children of that age enrolled in publicly financed childcare institutions. Still, Germany is near the bottom of the European league when it comes to children below the age of three who attend childcare facilities.

As regards the framework conditions of policies to reconcile work and family life, there are various common problems and approaches, but quite different circumstances among EU countries.

All peer countries taking part in the peer review (Austria, Cyprus, Estonia, Hungary, Malta and Slovakia) report a birth rate far below the reproduction rate,

11 See *Joint Report on Social Protection and Social Inclusion*, SEC(2005)69



which has a negative impact both on economic development and the stability of social security systems.

The labour market participation of women differs a lot among these countries; it is:

- increasing combined with a high proportion of part-time and low-level work in Austria;
- very high in Cyprus. Due to a high level of qualification, women often have to take jobs below their vocational training level;
- still above the European average after a sharp decline within the last decade in Estonia and Slovakia. In both countries women normally work in full-time jobs;
- around 50%, which is below the European average, in Hungary, despite a similar historical background to Estonia and Slovakia;
- very low (around 33%) in Malta despite the national government's strong efforts to reach the Lisbon target.

Cultural obligations towards mothers emerging from the respective national systems play an important role in the process of reconciling work and family. Some peer countries report an obligation to stay at home to look after children and/or elderly relatives. In other countries the expectation is that women take full responsibility for household and childcare despite working full time.

All peer countries report deficiencies in care provision:

- There is a demand for more childcare provision for children under three, where the aspect of educational quality is of special importance.
- Afternoon care provision both for the 3-6 age group and for schoolchildren needs to be extended in order to enable more than a half-day employment of mothers.
- There is a growing demand for full or supplementary care provision for elderly people especially in those countries where there is a strong expectation that women take responsibility for elderly care within the family and in which due to this expectation the system of professional care provision is not very developed.

As regards the impact and sustainability of policies aiming to reconcile work and family, all peer countries see a strong demand for the mobilisation of all relevant actors. Special problems were reported concerning co-operation



among different ministries within the same country, a lack of readiness by local authorities to co-operate with NGOs and problems in getting social partners, especially employers, on board. In countries where the church plays a dominant role, its involvement is very important because of the influence it has on the definition of family roles.

Voluntary commitment and the approach of convincing relevant actors are strongly preferred as against legislation introducing the obligation to address the reconciliation of work and family life.

New legislation and programmes to facilitate the reconciliation of work and family life are under way in several peer countries:

In Austria a new childcare allowance law (*Kinderbetreuungsgeldgesetz*¹²) was introduced in 2002. It extends parental leave to cover housewives, students, farmers and self-employed people, not only employees. With some parallels to the German career and family audit¹³ an audit of family and child friendly communities (*Audit Familien- und Kinderfreundliche Gemeinde*¹⁴) is in operation.

Cyprus is on the way to introduce whole day schooling (7:45 to 16:00), which is in operation for elementary schools already.

Hungary has already worked with the German Hertie Foundation in order to adopt the career and family audit, but it is not yet in operation. There has been an award for family friendly companies since 2002.

As regards European organisations, the European umbrella organisations of the social partners, UNICE for the employers and ETUC for the trade unions, were invited to participate in the peer review. For scheduling reasons, ETUC was not able to send a representative.

The employer's federation is concerned about the low birth rates in Europe because this reduces the future workforce and causes economic and social security problems. The employers very much welcome the German approach

12 For further information in German language see:
<http://www.help.gv.at/Content.Node/8/Seite.080600.html>

13 As described further below

14 For further information in German see: <http://www.gemeindeaudit.bmsg.gv.at>



of reaching out for a more family-friendly society. In countries like Germany collective agreements between social partners can play an important role in this field. The employers have a strict preference for measures to be implemented on a voluntary basis and within a framework that bears cost-benefit relations in mind.



3. The good practice example presented: the 'Alliance for the Family'

The Alliance for the Family' was launched by the Family Affairs Ministry and the Bertelsmann Foundation in 2003, which means there is not much data on its outcomes. Its overall aims are to develop a family friendly atmosphere in society in general and a family friendly company culture in particular. By this it aims to improve the options for creating an adequate work-life balance and thus work towards a sustainable family policy.

The initiative is based on three findings concerning the German situation, that is:

- Children in Germany need better education and guidance in their early years, especially those living in less privileged homes. Germany is ranked very badly in the Pisa studies, because early education in Germany is underdeveloped, in part because of the lack of public childcare opportunities;
- The German economy needs higher labour market participation by women because it is they who face particular problems in combining work and family life;
- Germany needs a higher fertility rate.

Partners in the alliance are key bodies that influence workplace culture: the German Trade Union Confederation, the chambers of industry and commerce, the main industry federations and private foundations.

Three elements of the alliance should be considered: the study on the microeconomic effects of family friendly measures, the 'Local Alliances for the Family' and the 'Career and Family Audit'.

Study on the microeconomic effects of family friendly measures¹⁵

By empirical research in a number of firms and by model calculations, the study carried out by the Prognos consultancy in Basel provides evidence that companies can implement family friendly measures without additional costs, and in many cases can even save costs if secondary and long-term effects are

15 To download a summary of the full text of the study in German please visit www.bmfsfj.de/Kategorien/Forschungsnetz/forschungsberichte,did=12218.html



taken into account. Because the cost-benefit argument is the one which most easily changes the minds of decision makers in companies, the study serves as a kind of door opener in the business sector and as a starting point for further discussion and thinking about family friendly measures.

Local alliances for the family

This initiative was started in early 2004, with the main aim of building local round-table alliances of a wide range of relevant actors such as municipal authorities, companies, employers' associations, trade unions, training providers, churches, associations, welfare organisations, neighbourhood initiatives etc. The programme has had a very promising start, with the hundredth local alliance being founded after only 11 months.

Financial support for the local alliances by the Federal Ministry of Family Affairs, Senior Citizens, Women and Youth and the European Social Fund was granted for three years and thus covers the period until late 2006.

The focus and activities of local alliances are related to the specific local conditions and recognise that different regions require different policies. Three examples that illustrate the range of activities are:

- providing flexible childcare facilities which are able to cover unusual working hours
- a 'godparent' service through which older people look after children for part of the day
- improving the integration of migrant children, and especially their German language skills

To facilitate the foundation of local alliances and to support their work in the start-up phase, a service bureau was set up. The bureau deals with the process of establishing a local alliance, but it does not interfere in the contents of the work. It provides the following services:

1. **The start-up package:** In the foundation process a counsellor from the service bureau mediates between the different interests of the local actors involved, identifies which needs can realistically be met given the resources available, and focuses the work towards achieving results.
2. **Development consultancy:** There is a tendency for energy and motivation in local alliances to flag after a year or two. If this occurs, the service bureau



sends an adviser on request. The adviser facilitates a half-day workshop to redefine objectives and/or foreseen working steps.

3. **Hotline support:** There is a person in charge for each alliance, and these consultants are available to offer advice over the telephone.
4. **Expert referral:** The service bureau maintains a list of experts in different areas of family policy and other issues relevant to local alliances and refers enquiries to them. There is also a scientific accompaniment run by the German Youth Institute (*Deutsches Jugendinstitut, DJI*) in Munich, which has a very informative website.¹⁶

To cite three very varied examples:

- The alliance in the north German rural area of *Leer-Aurich-Emden* focuses on the family and the economy. It gives advice and training to women who want to go back to work, and supports this by offering family services such as extra childcare. There is a mixed system of financing;
- In the Bavarian town of *Augsburg* the alliance focuses on families in crisis. Volunteers help young people to enter the labour market by becoming sponsors or 'godparents' of young people for a while;
- In *Herten* (in the Ruhr valley) the alliance focuses on improving the integration of migrant children, and especially on their language skills.¹⁷

*Career and Family Audit*¹⁸

In order to encourage more companies to take family friendliness into account, the Hertie Foundation has developed the Career and Family Audit. This voluntary scheme was adopted in preference to the original proposal for legislation to oblige companies to take such action.

The audit process entails the following steps:

- an external **auditor** assesses the existing measures that are in place, in consultation with representatives from all sections of the company
- there is usually a joint **workshop**, which develops ideas based on a checklist of over 100 possible measures
- an **agreement** is reached on what should be done. This is the precondition for the award of the basic certificate

16 see <http://www.dji.de>

17 see <http://www.familienbuendnisse.de/testarea/index.php?link=hertenport.php>

18 For further information in German see <http://www.beruf-und-familie.de/index.php?c=audit.audit>



- after three years a **check** is made to see whether the goals have been fulfilled. If they have, the final 'family friendly company' certificate is awarded.

To achieve these goals, the Hertie Foundation has founded a non-profit company (*Beruf und Familie gGmbH*) that works in three areas:

- improving the scientific basis through studies and cost-benefit analyses, especially the development of economic measures that can be applied to small and medium-sized firms
- supporting the audited firms in implementing family-friendly measures
- spreading the idea of family-friendliness in companies more broadly

The implementation of a single measure is not sufficient to make a company family friendly. For the audit 140 measures have been itemised, which fall into the following categories:

1. working time: flexible working time, family related leave of absence, time sovereignty of the employee.
2. organisation: employee participation, teamwork
3. place of work: working at home or while travelling
4. information and communication: in-house information and public relations on the company's family friendly activities
5. leadership: conduct of management staff
6. human resources / personal development: training and positive assessment of patchwork biographies
7. remuneration: pay and in-kind benefits
8. services for families: care

To support companies in recruiting highly qualified staff, and to raise their public image by stating their family friendliness, the Hertie Foundation awards a certificate to companies which go through the auditing process successfully.

The Career and Family Audit started in 1998 with eight very courageous companies, and in June 2004 the certificate was awarded to 30 companies. In 2004, 50 contracts for auditing processes are running. The Hertie Foundation aims to have conducted 2,000 audits by 2009. To carry out the audits, a team of 30 business consultants has been intensively trained.



The Hertie Foundation believes that the audit should remain a voluntary measure, because only this guarantees that the companies involved take the idea seriously and make progress with it.

As a follow-up measure to ensure sustainability, the Hertie Foundation supports a network among the 100 firms that have undertaken the audit up to the end of 2004. They meet twice a year to discuss specific topics.



4. Relevance for and transferability to other national contexts

All peer countries share the concern about a low birth rate, about facilitating women's access to the labour market and thus about reconciling work and family life.

Among the measures presented, the local alliances for the family are an instrument to mobilise all relevant actors in order to get them involved in practical co-operation. The Career and Family Audit is in principle applicable to all kinds of enterprises.

Thus the general conditions for transferability as regards both meeting the peer countries' demands and applying the measures presented in other national contexts are good. In the following paragraphs the specific priorities and framework conditions for transfer are outlined country by country.

Austria

A transfer of measures from Germany to Austria is in general relatively easy because Austria has similar structures. Austria is very interested in the Local Alliances for the Family. The crucial question is how to promote the idea among political decision makers, not only administrators. As regards governance, it is important to make sure that alliances tackle the real interests of families, rather than those of employers.

As already mentioned, in Austria the Audit of Family and Child Friendly Communities (*Audit Familien- und Kinderfreundliche Gemeinde*¹⁹) is already in operation and many local authorities are interested in intensifying their work in favour of family friendliness.

A major obstacle to the transfer process is that the different strands of work are carried out in isolation from each other – for instance the ministerial department responsible for the audit of family friendly communities does not co-operate with the department responsible for the work and family audit. The Austrian NAP/incl. also lacks this integrated viewpoint: the connection of family policies

19 For detailed information in German see <http://www.gemeindeaudit.bmsg.gv.at>



to population, gender and health policy is missing. Experts and politicians stick to their professional viewpoints and do not see the interrelationships.

Thus the relevant questions for a transfer to Austria are:

- what cultural awareness is necessary to create a complex understanding of family related policies in government and companies?
- what incentives could motivate companies to tackle social problems such as reconciliation of work and family life? There is a big discussion on corporate social responsibility, but family policy is not yet linked to this
- what resources and strategies have enabled this approach to succeed in Germany: Which budgets were allocated and which partners are financially active?

Cyprus

From each of the measures presented, specific points are already applied in Cyprus, but due to the significantly different social framework, it has all been implemented quite differently from the German way.

As regards transferability, the first item would be the co-operation group as a framework to bring partners together to think the issues through and provide advice and suggestions.

The first target for these suggestions would be companies. However given that Cyprus does not have large companies, consideration needs to be given to what incentives small companies would need to introduce family friendly measures or undertake a career and family audit.

Another question for Cyprus concerns the pros and cons of the legislative versus the voluntary route to the implementation of family friendly measures.

The framework conditions for a transfer of certain aspects of the Career and Family Audit already exist, and there is a tripartite alliance in place – the implementation of the audit is just a matter of convincing people.



Estonia

Estonia has gone through very rapid restructuring in the last 15 years. Owing to neo-liberal views that have predominated during the restructuring period, the family is considered very private, and neither the state nor companies are expected to interfere. Social partners in Estonia are weak – only 12% of employees are members of a trade union.

The German experience is useful, and the Local Alliances for the Family are the most relevant of the measures presented. However their functioning presupposes a stronger civil society and better co-operation between town councils than exists in Estonia. The first step would be to introduce case management in family services and labour market services, which would bring service providers together.

The Career and Family Audit could also be transferred. The first step is to disseminate more information. Most Estonian employers are small and micro, so it is rather difficult to motivate them and any suggestions as to how to persuade employers are welcome.

Hungary

As regards the Alliances for the Family, the government is slowly learning to work with other actors. It finds it difficult to work with NGOs, churches and employers, as it is used to being an 'authority' not a 'servant'. Whilst the outlook is hopeful, the process could take some time. The co-operation structures that can be found in the local alliances for the family in Germany as examples of good practice can already help a lot in convincing local authorities to open themselves to co-operation.

An amendment to the social law is in parliament which enables local authorities to set up local 'social round tables' and makes them obligatory for populations of over 2,000. These, or sub-committees of them, could be the basis of local alliances for the family, if the local authorities can be motivated.

Hungary has a number of sources of funding it can use to promote family friendliness, including ESF and EQUAL. The Hungarian Family Friendly Employment Prize²⁰ to award companies has existed for five years, but the number of applications oscillates around 100 and there is no upward development.

20 For further information see http://europa.eu.int/comm/employment_social/soc-dial/csr/country/hungary.htm



Hungary has already worked with the Hertie Foundation to adapt the Career and Family Audit to local conditions, but it is not yet in operation. In this area the transfer process is already under way. An obstacle is the fact that most workplaces in Hungary have a strict hierarchy, which does not always go together well with the democratic approach of the Career and Family Audit, where the idea is to bring people of different ranks together to have a common understanding of family friendliness and define common goals.

Malta

Malta is interested in the idea of the 'Alliance for the Family'. Malta's small size – it has a population of 400,000 on an island 30 kilometres long – brings the advantage that it makes it easier to bring the stakeholders together: for instance there is only one federation of employers, so the context is unlike Germany's. Another difference is that 96% of firms are small, around 4-10 employees, and only eight companies employ more than 500 people. So it is clear that the success of the local alliances in Malta will very much depend on the willingness of employers to get involved.

A positive factor in the light of Maltese framework conditions is the practical non-academic approach of the alliance, which focuses on a 'to do' list rather than on a discussion of principle.

To introduce innovative approaches and act as a neutral outside catalyst, a strong, competent service bureau is needed to co-ordinate matters and facilitate the development of services at local level.

Slovakia

The first priority for transfer to Slovakia is the area of the Career and Family Audit, because a similar scheme already operates there, but there is demand for improvement and especially for broader implementation. The German example has provided useful tools for doing this.

As for the alliances, the main problem is the weakness of civil society. Family policy is owned by the state and it will take time to convince other actors to get involved in the issue.



5. Conclusions and lessons learnt

A first general conclusion of the debate about reconciliation of work and family in different European countries is that despite the great differences in the national contexts represented at the peer review, an unbalanced work-life relationship causes problems in all countries, but in quite different ways:

- In some countries the labour market participation rate of women is low and insufficient childcare facilities are one of the major reasons for that.
- In other countries public childcare facilities are underdeveloped too, but nevertheless childcare while mothers are working is not so much a problem, because the extended family system provides solutions in that grandparents take childcare responsibilities. Corresponding to this, there is a clear expectation that in return the parent generation takes the responsibility for elderly care, which causes reconciliation problems of its own.
- A third situation is that both parents work in full-time employment, but women are expected to take responsibility for household and childcare in addition to their paid employment, which causes a severe work-overload.
- In countries with well-developed social protection for working mothers it has to be kept in mind that this might lead to serious barriers in female access to the labour market.
- Where childcare facilities are also well-developed for children under three and allow for the full-time employment of both parents, the quality of these childcare arrangements becomes highly relevant, because children spend a considerable number of hours each day in childcare institutions.

Against this background, a broadly based initiative to promote family friendliness in all areas of society, and especially to raise awareness of the problems of reconciling work and family life, is judged to be a valuable approach.

The elements of the 'Alliance for the Family' that have been presented at the peer review meeting tackle a whole range of issues that all peer countries are concerned with and that have been discussed in the peer review meeting:

- flexible working arrangements with regard to both working times and location
- flexible care arrangements
- quality of care
- elderly care



- family friendly transfer policy
- implementation of family friendly policies
- alliance process
- audit process
- changing cultural climates

Flexible working arrangements

First of all the reconciliation of work and family requires flexible working time arrangements. The crucial point here is that it must be the employees who have the time sovereignty over when and how to arrange working times in a flexible way. Flexibility that follows the manpower demands of the employers does not help in terms of reconciling work and family life, but often makes things even more difficult.

Flexibility of working times means flexibility;

- within a day
- in a mid-term perspective, e.g. on a monthly basis
- over the whole working life with the possibility to take parental leave for a couple of years

Short and mid-term flexibility must be able to cover incidents such as children's illnesses.

The option of parental leave is correspondingly more useful, the better the job (either the existing job or an adequate post of any kind within the company) is guaranteed.

On the other hand one must be aware that adequate and secure conditions related to flexible working time in general and to parental leave in particular may lead to gender discrimination and exclusion from professional careers as long as these options are primarily used by women.

A life-cycle approach to working time, for example by means of long-term working time accounts, would be helpful in achieving an adequate work-life balance.



In all cases where the possibility to return to one's old job after parental leave is not guaranteed, counselling and support in re-entering the labour market should be provided.

A second aspect of flexibility besides that of working time is the location of work: the possibility to do part of one's work at home, either at any time or in case of childcare demands. As far as office work is concerned, modern information and communication technologies provide very good opportunities to facilitate part-time home work.

Flexible care provision

Flexible childcare arrangements are the complementary option in all cases where working times cannot be arranged in a flexible way. The availability of childcare at unusual hours can help greatly to re-integrate mothers with a low level of vocational training into the labour market. Examples are cleaners (with working hours in the early morning and in the evening), service personnel and kitchen helpers in restaurants.

Childcare that only covers the morning hours often does not even allow mothers to work for half the day, if before and after work additional time is needed to travel to and from the workplace. To make a continuous professional career for mothers possible, full day childcare is necessary. This also means care provision for schoolchildren in the afternoon and at all times in the morning that are not covered by lessons.

The quality of the educational aspect of childcare has to be taken into account, especially for the age group of children under three. Some studies conclude that the majority of childcare for children under three is not to be recommended compared to family childcare.

Elderly care

Children are not the only group that needs care. Strategies on the reconciliation of work and family life also have to take cases of long-term sickness in the middle generation and demands for elderly care into account. Owing to demographic change, elderly care is an issue of fast-growing importance. Demands



for flexibility in both working conditions and supplementary care provision are as high as they are in the field of childcare.

Family friendly transfer policy

The German approach of the 'Alliance for the Family' is meant as a shift from a purely financially based to a qualitative and proactive family policy. The idea that the problem demands more than allocating money according to certain family-related criteria is shared by all of the participants of the peer review seminar.

Tax regulations, especially matrimonial splitting, can act as a very effective way to exclude women from the labour market, simply because it means that taking up employment would not really pay.

Allowances meant to facilitate parental leave are often low. This might exclude families with low budgets in particular from making use of them.

Implementation of family friendly policies

Implementation of family friendly measures on a voluntary basis is preferable to legal obligation. The commitment of the actors involved as well as the potential for creativity in finding new solutions is most probably higher if the process is organised on a voluntary basis.

Below this general preference, there are various forms of combining obligation and voluntary commitment: there can be a legal framework defining the range and scope of measures to reconcile work and family life, which leaves the adoption of specific actions to negotiations between social partners.

Similarly, a nationwide programme which sets a framework and targets to be reached can be defined, but the design of concrete measures can be assigned to actors at local level. This leaves much more room for making the best use of local resources and responding to specific problems.

A final option, which lacks of potential for co-operation between different actors, are agreements on an individual basis, which can be agreements between employer and employees, but also individual care arrangements.



Alliance process

As already stated the participants agreed that the mobilisation of all relevant actors is an important issue in successfully designing and implementing family friendly policies.

Having a nationwide alliance involving well-known people from different political backgrounds and areas of society was seen as a good way to clarify the idea of reaching a broad consensus concerning family friendliness.

The examples presented from Germany, showing different kinds of involvement of employers and various models of co-operation between local authorities and locally based NGOs and civic initiatives, can already help to convince these actors in other countries to get involved.

Voluntary commitment is, as already mentioned, the preferable way of getting actors on board. A good way to convince actors to commit themselves is to show them the benefits which can be gained for their own organisation. To make this possible especially in the case of enterprises, the proof that family friendly policies can pay or are cost neutral was perceived as very helpful.

The question of how to ensure the sustainability of an alliance process is crucial, and the phenomenon of demotivation after one or two years of work with less practical effect than expected is well known. An external intervention by a counsellor, as offered by the service bureau for local alliances, through which working structures are checked and targets are adjusted was seen as helpful.

Regarding the role of the service bureau in promoting and facilitating the alliance process, the funding of the 'Local Alliances for the Family' was questioned. As far as contributions from the European Social Fund are concerned, the funding structures partly seem to be adoptable in other countries. In order to make the best use of the resources available, special attention should be paid to the potential of self-help and mutual aid in informal networks when designing family friendly measures.



Audit process

Two peer countries, Austria and Hungary, have already started a possible transfer of the 'Career and Family Audit' to their countries, and several other countries expressed their interest to implement a career and family audit.

Compared to the German situation and the examples presented from Germany a specific demand was expressed for ideas on how to adapt the audit to small enterprises, which often do not have the data to evaluate the possible economic effects of family friendly measures. Furthermore, the smaller the enterprise is, the more difficult it will be to allocate the working time of managers and employees needed to think about family friendly measures and the possibility of implementing them.

Beyond private enterprises, the question of how to adapt the audit to public employers, churches and NGOs was discussed, and the conclusion was drawn that part of the strategy would have to be changed for these employers.

Changing cultural climates

The most general area of discussion related to information, awareness raising, and public relations.

The German 'Alliance for the Family' claims that a change of mentality is needed to make Germany a family friendly country. This points out the significant impact that cultural climates have on the definition of family roles and on work-life balance as a whole. Elements of the cultural background such as the opinion that mothers should stay at home or that children and especially daughters and daughters in law have to care for elderly relatives are severe obstacles to the reconciliation of work and family life.

In this context, the role of fathers must also be highlighted. To create a better work-life balance it is necessary that fathers manage to take more responsibility for family affairs and especially for their children.



Appendix

Table 1: Fertility indicators, Germany, 1992 – 2000

year	absolute number of babies born alive	number of new born babies per 1000 women age 15 – 50	net reproduction rate
1992	809,114	1,292	0.62
1994	769,603	1,243	0.59
1996	796,013	1,316	0.63
1998	785,034	1,355	0.65
2000	766,971	-	-

Source: Enquête-Kommission "Demographischer Wandel": Schlussbericht, Bundestagsdrucksache 14/8800: 18.