

O P I N I O N

The Feminization of Work



The feminization of paid work is not only a trend but a necessity. For quite some time now, the labor market has been suffering from a serious shortage of high-skilled workers. Due to the demographic decline and the aging of the labor force, this gap will continue to widen over the next decades. Despite the current economic stagnation, the expanding information and service industries will create additional demand for high-skilled labor. After all, qualified personnel is especially needed in times of crisis.

Female labor force participation in West Germany has been continuously on the rise over the past half century. Back in 1950, only 20 percent of all married women between the ages of 30 and 50 were in the labor force. Today their share is more than 70 percent. This development especially comes to the fore in the educational sector, where half of all university "freshmen" are now women. It is not surprising that women were rather easily integrated in the first labor market since the general upward trend in qualification levels and the rise in part-time work at a stagnating labor volume, the integration of women in the first labor market

took mostly place without any problems. In East Germany, female labor force participation has traditionally been much higher than in the West, and most women work in full-time jobs. Participation rates in the East, however, have begun to drop and are now approaching the level achieved in West Germany.

The traditional role of men as the sole wage earner is losing its relevance. In 61 percent of all married-couple households in Germany both partners have a job. In one third of these families the woman works full-time. Men remain the sole breadwinners in only 30 percent of all family households.

In international perspective, Germany ranks just above average in terms of the feminization of work. In 2002, the share of working women in the age group of 25 to 54 was 71 percent in Germany – the same as in the Netherlands and well above the EU average of 66 percent. Other countries, however, are still ahead of Germany: the United Kingdom with 73 percent, the United States with 74 percent, and Sweden with as much as 82 percent. Likewise, Germany does not come off well in an international comparison of unemployment rates. According to OECD criteria, Germany's unemployment was at 8 percent in 2000 – slightly better than the EU average (8.9 percent), but considerably worse than the Netherlands (3 percent), the United States (3.3 percent), the United Kingdom (4 percent), and Sweden (4.6 percent).

In the long run, being average will not be good enough. Germany has to be able to use its female participation rate as a trump card in the structural improvement process of its labor market. This process, however, cannot be forced. A "gender equality" law as demanded by the unions would be just as counterproductive as the recently established right of employees to switch to part-time work. Both initiatives lead to an unnecessary stigmatization of female work.

Instead, market-based methods are the most effective way to change the realities of the labor market. A key component of female participation is the issue of child care. In order to alleviate the serious deficit in this sector, coordinated reforms of both the demand and supply conditions will have to be implemented. The German educational system relies too much on the role of the family.

Full-day kindergartens and schools will have to become the norm. In addition, new organizational forms need to be created to support the gifted as well as the less talented students. Corporate child care facilities, individualized working hours and a widespread introduction of working time accounts would allow for more flexibility at the internal company level.

A reform of the German child care system with the goal of ending the predominant practice of subsidizing care providers would also help. Government-paid vouchers earmarked for child care services would give parents more bargaining power over child care facilities, which would have to be certified by a government agency. Enhanced competition could also boost private initiatives and lead to an expansion of the market for child care services.

This would come close to squaring the circle: The child care sector would create a strong demand for low-skilled workers and provide the desperately needed relief in this area. At the same time, the large potential of high-skilled women with children could be better utilized. Additionally, the long-term integration of women in the labor market and the improved use of their qualifications would finally allow women to advance more easily to high-ranking positions in business and society.

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