



Country Fact Sheet Germany

Some Facts about the Gender Pay Gap in Germany

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“Gender Pay Gap: New Solutions for an Old Problem. Developing Transnational Strategies Together with Trade Unions and Gender Equality Units to Tackle the Gender Pay Gap“

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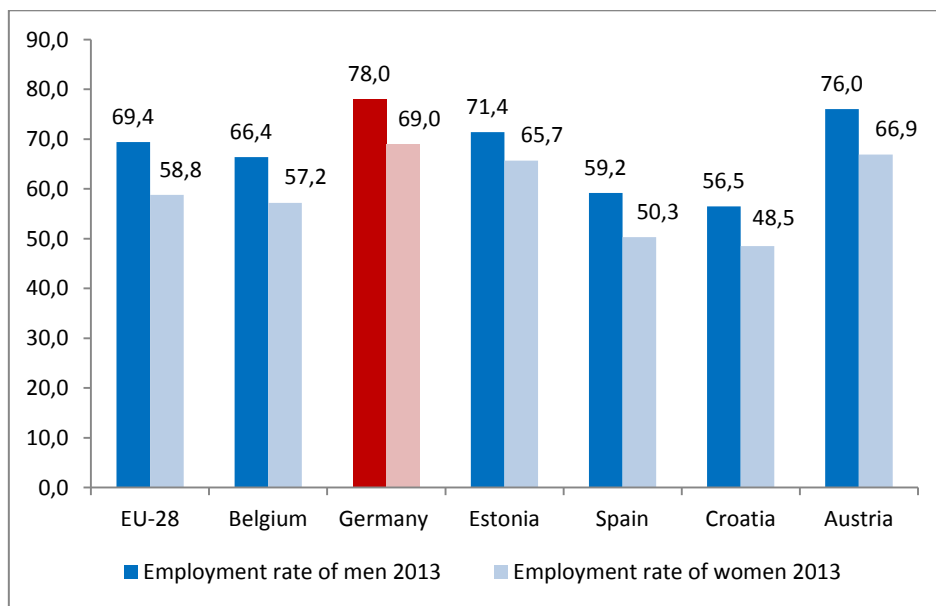


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GPG in Germany: Brief Data Overview

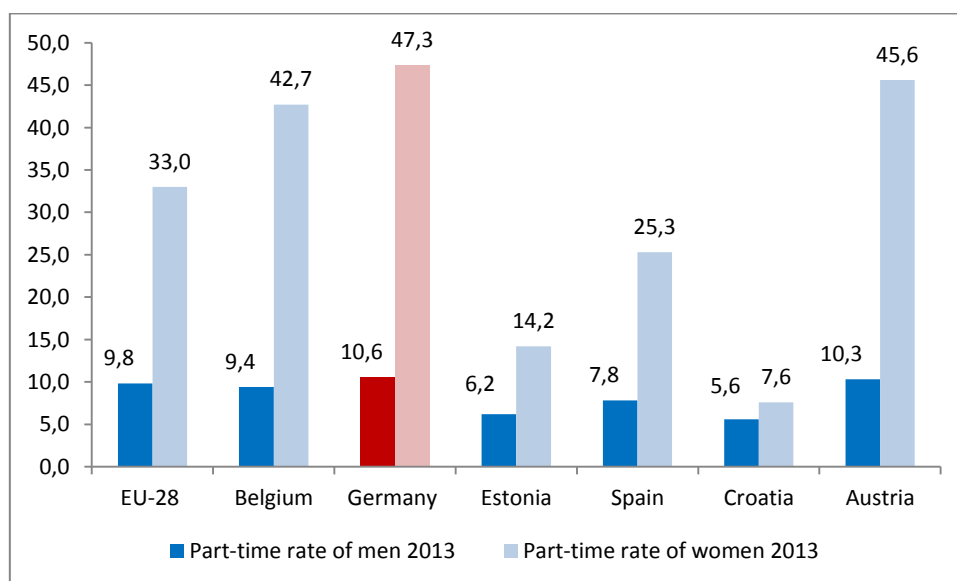
In 2013, the employment rate for women (aged 15-64) in Germany was comparatively high (69%) but still below men's employment rate (78%). Women's labour market participation in Germany in this age group is above the EU-28 average (see figure 1). However, the share of female part-time workers is very high and Germany ranked 2nd within the EU-28 regarding female part-timers. Women work part-time much more often than men (47.3% compared to 10.6% among men in 2013) (see figure 2).

Figure 1: Women's and men's employment rate 2013



Source: Eurostat, LFS (online data code: lfsi_emp_a)

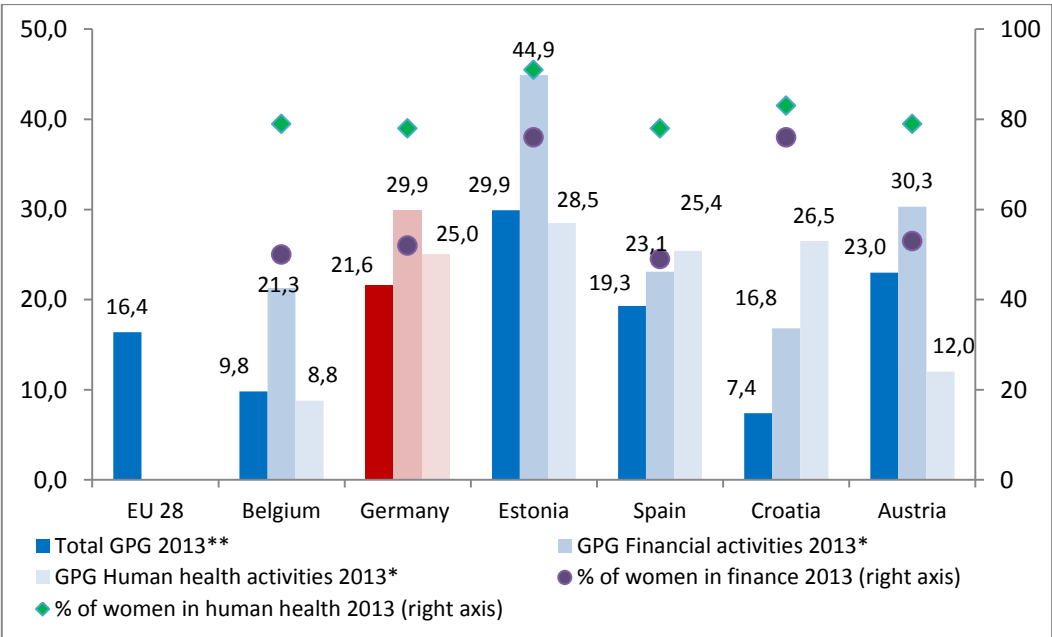
Figure 2: Women's and men's part-time rate 2013



Source: Eurostat, LFS (online data code: lfsi_emp_a)

At 21.6%, the unadjusted gender pay gap in Germany was above the EU-28 average of 16.4% in 2013. Germany had the fourth highest GPG within the EU-28. In the two sectors which have been analyzed in-depth for this study – the financial services sector and health care sector – the gender pay gap is even above the average: It was at 29.9% in the financial sector and 25% in the health sector according to the Eurostat data (see figure 3). Regarding the share of women in both sectors, the health care sector is predominantly female: 78% of all employees are women. The share of female employees in the financial sector is not as high as in the health sector, but with 52% still slightly above the share of male employees (see figure 3). The income level in the financial services sector in Germany is above the average (for both women and men) and – due to Eurostat data – at average in the health services sector (see figure 4)¹.

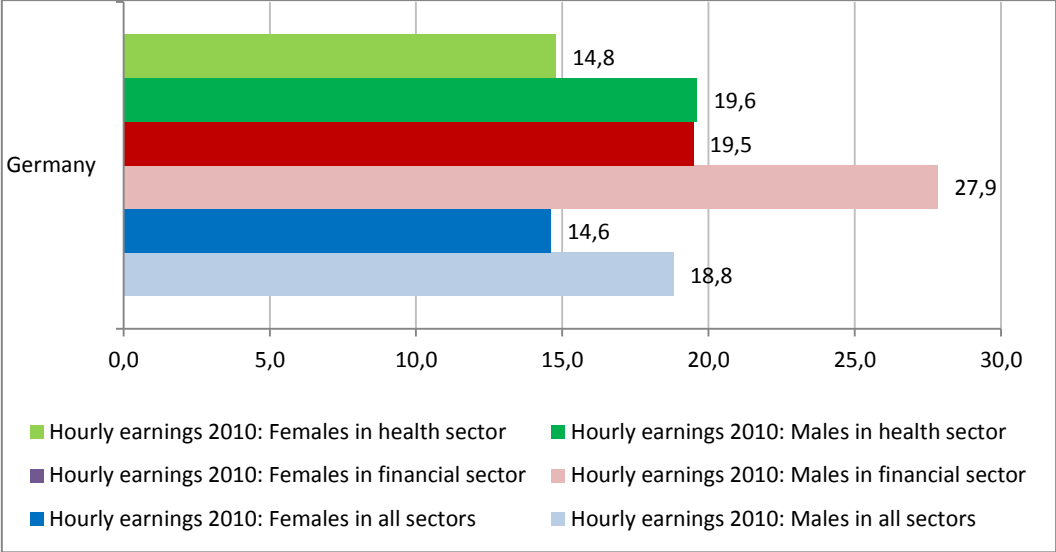
Figure 3: Total GPG, the GPG in the financial and health sectors and women’s share in these sectors 2013**



Source: Eurostat, LFS (online data code: earn_gr_gpgr2 and lfsa_egan2); ** total GPG except public administration, defence, compulsory social security; NACE Rev. 2 (structure of earnings survey methodology); 2015; * latest year available for Austria: 2010

¹ Please note that National Statistics show a different picture: According to the National Statistical Office wages in the health and social sector belong to the lowest of all industries (Statistisches Bundesamt, 2014: Verdienste und Arbeitskosten. Arbeitnehmerverdienste 3. Vierteljahr 2014, Fachserie 16 Reihe 2.1, p. 4)

Figure 4: Mean hourly earnings by sex in Germany 2010, in Euro



Source: Eurostat, LFS, Structure of earnings survey (online data code: earn_ses10_13), hourly earnings include industry, construction and services (except public administration, defence, compulsory social security)

Facts and Findings about the GPG in Germany

Wage-setting mechanisms in Germany

For large parts of employees and employers wages are set by **sectoral collective agreements**. Some of these sectoral agreements are furthermore divided into separate **regional agreements**, e.g. collective wage agreements for the metal and electrical industry in Baden-Württemberg, North Rhine-Westphalia (Nordrhein-Westfalen), “Coast” and so on. Other agreements are **federal agreements** being in force for all employers and employees in one sector throughout Germany. Further, large companies often have their own **company level agreements**. The proportion of employees covered by collective wage agreements (“Tarifbindung”) is declining. The coverage of collective agreements was 76% in West Germany and 63% in East Germany in 1998. It has declined to 60% in West and 47% in East Germany in 2013. Minimum Wages are in force only since January 2015.

Important characteristics of the GPG in Germany

- With 21.6% the gender pay gap is very high in Germany, with significant differences between East and West Germany. While in East Germany it is only about 8%, the gender pay gap in West Germany is 23%.
- The unadjusted gender pay gap can partly be explained with the highly gendered horizontal and vertical labour market segregation, with career breaks and/or part-time work of women and with the undervaluation and traditionally low grading of female-dominated jobs and sectors’ (so-called ‘women’s work”) by existing collective agreements.
- Intransparent and unsystematic wage setting processes and individual pay agreements are often less advantageous for women.

Specific initiatives to reduce the GPG in Germany

- In Germany the Equal Pay Day is organized since 2008. It was initiated by the organisation ‘Business and Professional Women’ (BPW). Taking up the idea from the corresponding organisation in the USA, which introduced a ‘Red Purse Campaign’ in 1988, the initiative ‘Red purse’ (*Rote Tasche*) asked women and men to carry such an accessory to show the income difference between women and men. Since then, this Equal Pay Day is held every year. In September 2011 the Federal Office for Equal Pay (*Bundesgeschäftsstelle Entgeltgleichheit*) and the Equal Pay Day Forum were created. While the aim of the former is to provide information material all year long, the latter is responsible for organising the Equal Pay Day and additional activities. <http://www.equalpayday.de>
- In 2013, the Federal Confederation of Trade Unions, DGB, initiated the first day of Equal Pay in Companies (“Tag der betrieblichen Entgeltgleichheit”). It points out the date after which women should stop working as it corresponds to their part of the average annual earnings of men. The first Equal Pay Day in Companies was October 11th 2013. The aim of this day is to motivate for activities on a company level which could be more direct and action-oriented.
- Finally, on the occasion of this year’s Equal Pay Day (2015), the Minister for Women and Family Affairs, announced that the Government will release a new legal act with which income structures are to become more transparent. The planned law on pay transparency (*Gesetz für mehr Lohntransparenz*) will oblige large corporations with more

than 500 employees to report on their activities to guarantee equal pay for women and men. Companies will further be asked to detect existing discrimination structures and mechanisms and – together with collective bargaining partners – to develop measures to close the gender pay gap. Furthermore, each employee will be entitled to hear about his/her job grading.

- In 2009 the Ministry for Families, Seniors, Women and Youth (BMFSFJ) launched the tool "Logib-D" (Lohnungleichheit im Betrieb - Deutschland), a free internet tool which enables companies to analyze their earnings structure with regard to gender on a voluntary basis. Logib-D calculates which part of the gender pay gap in the company is due to (1) years of vocational training, (2) years of work life, (3) hierarchical position, (4) part time, (5) size of team and (last but not least), (6) gender. (www.logib-d.de)
- Another tool which exists since 2010 is eg-check.de. It was developed by two researchers – Karin Tondorf and Andrea Jochmann-Döll – with financial support of the union-related Hans Böckler foundation (Hans Böckler Stiftung) and is in strict accordance with the German and European statutory provisions and case law. With this tool, employers, employee representatives, collective bargaining parties and – as far as data is provided – employees themselves can check pay regulations and pay practices in order to identify possible direct and indirect pay discrimination. (www.eg-check.de)
- Another tool for more wage transparency is the wage calculator – "WageMirror", LohnSpiegel – which has been initiated by the Institute for Social and Economic Research (WSI) in 2004. It provides data on wages and income which have been collected through online evaluation. (www.lohnspiegel.de)
- Unions have also initiated some equal pay initiatives: In 2014, the Industrial Metal Union (IG Metall) launched the campaign "Come on - Fair pay for women" ("Auf geht's - Faires Entgelt für Frauen"). The Food, Beverages and Catering Industry Trade Union (NGG) plans to check all collective agreements for provisions with hidden discriminatory effects for women and part time workers. They want to raise awareness for these mechanisms among members of bargaining commissions. In 2014, ver.di has launched a campaign to upgrade social and teaching occupations. (www.soziale-berufe-aufwerten.de). They claim a 10%-increase of their wages and a higher valuation of the work that is done. Another project is called "Pflege 3000" (Care 3000) and aims at wages not under 3000 Euros for a qualified full-time worker in the nursing care sector. Furthermore ver.di took part in a funding programme financed by the EU and the Federal government, called "Gleichstellen" (Treat Equally). The project aimed at improving working conditions for women and men through branch oriented equality policies.

GPG in the Financial and Insurance Sector in Germany

Important characteristics of the financial and insurance sector in relation to its GPG

- In general, wages in the financial and insurance activities sector are at a comparably high level. Average monthly earnings are the highest of all service industries and even higher than the average earnings in the producing industry. However, the gender pay gap in this sector is 30% and thus above average.
- The vertical segregation in the finance and insurance sector is very pronounced and the share of women in managing positions is one of the lowest of all sectors: In 2012, the percentage of women at the first management level was only 12%, at the second management level it is 26% - compared to an overall participation rate of women in the sector of 57%. Looking at executive boards, women's shares are even lower between

6.7% in banks and 8.5% in insurances in 2014. In supervisory boards women's share was 18% and 17.2% resp..

- Though wages are set by collective agreements at sector level and at company level for large banks or insurances, these agreements are characterized by large scopes for bargaining at company or at individual level. It cannot be ensured that demands in female-dominated jobs and units (e.g. private customer advice, service units) are valued and paid properly in comparison to male-dominated obs and units (e.g. sales, investment banking). Besides that, regulations on i.e. performance related pay are quite abstract and leave a wide range of configuration options on the company level. This may lead to arbitrary wage-setting decisions and be at disadvantage for women.

Initiatives (or lack of those) in the financial and insurance sector to reduce the GPG

Overall, awareness for gender issues exists only “in parts of the sector”. The focus of gender discussions, activities and measures lies upon the reconciliation of family and working life and on increasing the share of women on leadership positions. Thus, the gender pay gap is not discussed in the sector. Another explanation may be the comparatively high wages in this sector in relation to other female-dominated sectors.

The gender pay gap is also no priority for unions and works councils since they have to cope with a difficult situation as a consequence of the deep changes of the sector. These changes are industrialisation and digitalisation, continuous restructurings and personnel reduction and finally the legal demands for regulation. Therefore the focus lies on securing jobs and keeping the collective agreement binding.

GPG in the Human Health Sector in Germany

Important characteristics of the human health sector in relation to its GPG

- According to national statistics, wages in the health and social sector belong to the lowest of all industries. They are lower than the average of all service industries, with the exception of gastronomy being at the end of the scale. No sector of the producing industry pays lower average wages, even in the construction industry – the sector with the lowest wages in the producing industry – wages are higher. Further, the gender pay gap in the human health activities sector is 35.1% and thus highly above the average.
- The gender pay gap is caused by vertical segregation on the one hand: Women are underrepresented in leading positions and jobs with high qualification requirements. But those, who take hierarchically higher positions, are paid less than their male colleagues in the same performance group: The higher the job level the higher the GPG. On the other hand the GPG is caused by occupational segregation. The female-dominated health sector as a whole and the female-dominated jobs within the sector in particular are subject to undervaluation in job grading schemes, may they be bargained by unions and employers' associations or set freely by private employers.
- The high gender pay gap and the low wage level can be also explained with the sectoral characteristics: Nursing establishments have to work under hard cost pressure because of changes in the social security system of the last decades – privatisation and cost reduction. In the private sector there are a lot of establishments without collective agreements. Both facts in combination with low union density lead to low wages in the sector. Further the subsector medical and dental practice, where 95% of the employees are female, is characterised by small and micro enterprises to a large extent. In these

small and smallest enterprises there is no employee representative to support women in standing up for their interests. There is no legal dismissal protection and the collective agreement is valid only for a small part of these medical and dental practices. Additionally, work in the health sector is characterised by high moral standards which let employees lay their first priority on the well-being and care of their patients, their financial interests are at best on priority rank 2.

Initiatives (or lack of those) in the human health sector to reduce the GPG

Equal pay between women and men in the human health sector, has not been in the focus of collective bargaining so far, but rather the general wage level in health sector. Because of the high percentage of women in the sector this can be seen as a gender-oriented issue as well. It points to the fact that the female-dominated sector and the work that is mainly done there by women is regarded by many as undervalued.

- With the aim of a revaluation of health occupations the United Services Union (ver.di) started a campaign called "Pflege 3000" (Care 3000). The name stands for the demand that every qualified care work should earn at least 3,000 € per month.
- A large hospital concern with more than 20 hospitals and further health companies and nearly 14,000 employees, the Marienhaus Group, took part in the Logib-D programme of the BMFSFJ. The effects of this statistical analysis of the wage structure have not been published.
- The Association of Medical Professions (vmf) bargained a new collective agreement which now focuses on demands and needed qualifications and led to wage increases for many medical and dental assistants.