

"Kitas, Quoten und Karriere: The F-Word in German Boardrooms"

Heiko Wiggers

Assistant Professor of German
Wake Forest University
Department of German and Russian
P.O. Box 7353
Winston-Salem, NC 27109
United States of America

Abstract

Over the last years, Germany has seen a lively debate about the lack of women in full time positions and particularly in management positions compared to other industrialized countries. This significant problem has gone relatively unnoticed in both the political arena and the private sector since the fall of the Berlin Wall, but has in the past few years reached the surface of political debate and within individual companies. This article aims to examine the scope of the problem and the origins of the current inequality. It also discusses various possible solutions that are being offered by different economic and political camps; and it explores what the present employment disparity between men and women means for Germany's future as the economic powerhouse of the EU.

Keywords: German economy, representation of women, inequality, day care centers, German school system

1. Introduction

The percentage of female CEOs and board members has received increased attention in the last few years. International comparisons between industrialized nations have become more and more a focal point with regards to countries' abilities to successfully integrate women into the workforce and to promote gender equality. In March 2012, the British paper *The Guardian* reported that women had made gains in boardrooms across the western world topping the 10% mark for the first time ever (McCarthy, 2012). A survey conducted by *Governance Metrics International* (GMI) of 4,300 companies in 45 countries found that Norway had the most female board directors (36.3%); Sweden had 17%; France 16.6%; the U.S. had 12.6%; and the UK 10.7% (McCarthy, 2012). While these numbers might seem encouraging, they do not represent women adequately. Erin Matson, Vice-President of the National Organization for Women (NOW), the largest organization of feminist activists in the United States, remarked:

"While any advancement for women is good and something to smile about, it's still pathetic that women are half of the population and are now 10% of the boards of directors globally."(McCarthy, 2012)

The percentage of women in German boardrooms is significantly lower than in other industrialized countries. In fact, Germany ranks at the bottom of the list together with Japan which only had 1.1% of female board directors overall according the GMI study. Germany's *Goethe Institut*(2012)reports that in the year 2010 "there were only two women among the bosses of Germany's top 200 companies, a mere twenty-nine were members of executive boards. This represents a proportion of 3.2 per cent. The more the focus is on Germany's strongest-selling companies, the more the share of women in operational management positions diminishes. In the 100 largest companies there is not one, single female CEO and only eleven female members of boards." In addition, a 2012 study by the OECD (Organization for Economic Co-Operation and Development) found that the gender pay gap in Germany is the highest in Europe: on average full-time employed women earn 22% less than German men (*Frankfurter Rundschau* online, 5 March 2012; *Handelsblatt* online, 10 September 2012).

Section two of this paper examines the current employment of German women in upper management positions; sections three and four discuss possible reasons for the present inequality; section five illustrates how females in those positions cope with the circumstances; and section six discusses various approaches, particularly a women's quota, to solve the problem.

2. Female Employment and Underemployment in Germany

The *IAQ-Reporte*¹ are published regularly by the University of Duisburg-Essen and provide information and accurate data about Germany's employment situation. The Institute's latest available report regarding women's participation in the workforce is from the year 2008 and shows that the employment rate for women in Germany was 61.5% (IAQ Report 2008-04: 9). The authors point out that this number fulfills a quota set by the European Union:

Deutschland hat das in der europäischen Beschäftigungsstrategie festgelegte Ziel, nach dem die Frauenbeschäftigung bis 2010 bei 60% liegen soll, formal erreicht. (Kümmerling, Jansen, Lehdorf; 2008: 2)

"Germany has reached the goal of European employment strategies according to which the employment rate for women shall be at 60%." – my translation.

This number is comparable to the United States where, according to a 2010 report by the United States Department of Labor, 59.2% of women aged 16 and over were labor force participants. However, what sets the German numbers apart from the U.S. and from other European countries is the percentage of women who work full-time, highlighted in table 1:

Table 1: Number of full-time employed women

Country	Number of women employed	Number of women employed full-time	Year	Source
United States	58.6%	73%	2010	United States Department of Labor ²
Finland	67.3%	62.9%	2008	IAQ-Report
Denmark	73.4%	62.5%	2008	IAQ-Report
Sweden	70.7%	61.0%	2008	IAQ-Report
Great Britain	65.8%	51.7%	2008	IAQ-Report
Germany	61.5%	46.5%	2008	IAQ-Report

The numbers in table 1 demonstrate that the U.S. has almost 30% more women who work full-time than Germany. While these figures show that 44.5% of employed women in Germany work part-time or less, data published in 2006 by the ifo-Institut (*Institut für Information und Forschung*; "Institute for Information and Research") in Dresden illustrate that only 6% of men in Germany work part-time or less.

One of the most significant discrepancies between female and male employment can be seen in management positions: according to a 2010 survey by *Hoppenstedt Firmeninformationen*, an Economics Research Institute, 19.56% of all managers were female (compared to 8.17% in 1995). The number of women in top management positions in large companies with a business volume of up to twenty million Euros was 5.9%, while the percentage of female managers in companies with a business volume of one billion Euros or more was only 3.5%. Among the top 30 corporations that are listed in the *DAX* (= *Deutscher Aktien Index*; the German stock market index consisting of the thirty major companies trading on the Frankfurt stock exchange), only one woman is currently serving on a top management board.

¹IAQ is short for *Institut Arbeit und Qualifikation* (Institute for Work and Qualification).

²It needs to be pointed out that the U.S. Department of Labor counts women who are looking for work as labor force participants. The numbers from the European countries count only those women as employed who actually were employed at the time of the survey. The U.S. Department of Labor's website, for instance, mentions that "of the 72 million women in the labor force [in 2010], approximately 6 million were unemployed", which would lower the number of women employed in the U.S. considerably. ("Women in the Labor Force": http://www.bls.gov/opub/ted/2011/ted_20111223.htm . Accessed September 2012)

She is Barbara Krux with *Siemens*, and she is unmarried and childless. By comparison, *USA Today* (October 26, 2011) reported that by the year 2012, eighteen women will be running *Fortune 500* companies; women held 15.2% of *Fortune 500* board seats in 2009, and in both 2009 and 2010 only 12% of all *Fortune 500* companies had no female representatives on their boards (Petrecca, 2011). Additionally, an article in *The New York Times* (January 17, 2010) reported that only 32% of German women with a child under 3 work; 14% of women resume full-time work after having one child, and 6% resume full-time work after having a second child. (Bennhold, 2010) These numbers demonstrate that German employment policies seem far from offering equal opportunities to men and women, a fact that seems rather astonishing considering that the country is known to have implemented progressive policies in other areas (e.g. alternative energy, gay rights, etc.) and that it has a female Chancellor and a number of female cabinet members. These numbers are even more perplexing if one considers that Germany – in sharp contrast to the U.S. - has one of the most extensive governmental support systems for working parents that include generous parental leave policies and financial incentives for parents (whether married or committedly cohabiting), such as *Elterngeld* and *Kindergeld*.

The newest of these benefits, the *Elterngeld* (parents' money), was introduced in 2007 as "a 14-months wage replacement benefit for childcare" (Mätke and Ostner, 2010: 120). The *Elterngeld*, which amounts to 65% - 100% of the applicant's monthly income, was intended particularly for dual-income families and generally hailed as "a decisive departure from West-Germany's historical male breadwinner model" (Mätke and Ostner, 2010: 121). A 2008 report from the *Deutsches Statistisches Bundesamt* (German Census Bureau) showed that 96% of all mothers and 21% of fathers had applied, which seems to indicate a change toward more fathers staying at home with newborns. Why then are there so few females in upper management positions in Germany, and why are less than 50% of employed women working full-time? This article identifies three main problems that exist in Germany today leading to difficulties for women to balance career and family: the half-day school system, insufficient public (and private) child care facilities, and the wide-shared belief that public child care harms young children. A fourth factor, not discussed in this paper since it would go beyond its scope, is the association of women in the workforce with East Germany's communist past.³ In addition, one could list German tradition as a contributing factor since the major causes of these problems are all rooted in longstanding German conventions and in its governmental structure.

3. The Half-Day School System

Although traditionally conservative, Prussia was one of the first states to make education available to the lower classes by introducing general compulsory education (*allgemeine Schulpflicht*) in 1763. Throughout the 19th century, changes were made to the education system in the German states, and at that time the structure of the school system centered around a full-day school (*Ganztagschule*), i.e. lessons took place from eight to twelve and from two to four, with a break for lunch in the middle where students and teachers returned home to eat with their families. Toward the end of the 19th century, however, the school system shifted toward a half-day school (*Halbtagschule* or *Vormittagschule* [=morning school]) in both the general schools (*Volksschule* = people's school) and in the *Gymnasium* and *Realschule* (schools that prepared students for university or mercantile professions respectively). The main reason for this shift was the then quite common child labor (whether on a parents' farm or in factories), and a belief among German health professionals that students would be overburdened if classes were mandatory in the morning and in the afternoon. Other countries, like the U.S., Great Britain, or France, maintained a full-day school system, and at the beginning of the 20th century gradually adapted a modern full-day school model that included social aspects like offering school lunches, extracurricular activities, and the advancement of special education projects.

In a typical German half-day school students attend classes from 8:00 am until 1:00 pm to return home for lunch usually followed by a significant amount of homework. The fact that Germany's economy became one of the most successful ones in the world after World War II coupled with a relative high standard of living and a stable political and social system caused very few people to question the efficiency of the half-day school system. As Gottschall and Hagemann (2002) point out:

³For more information about this topic, see Martina Beyer (1992) and Dinah Dodds (1994; 1998).

Die alte Bundesrepublik [war] sich im Hinblick auf Bildung, Arbeits- und Sozialpolitik als ‚Modell Deutschland‘ selbst genug. (2002: 5)
 “The old Federal Republic felt adequate being “the German model” with regards to educational, labor, and social policies.” – my translation

However, the most important tenet of this system, namely that primary child care is accomplished at home, meant that women with children usually could not work at all or – at the most – were employed half-time. The general impact of German unification in 1990 and the so-called *Pisa-Schock* in 2001 began to elicit doubts whether the half-day school system really served its purpose. The Program for International Student Assessment (PISA) led by the Organization for Economic Co-operation and Development's (OECD) compares the reading, math and science skills of 15- and 16-year olds in fifty-seven countries. The results of the first PISA study in 2001 showed that German students lagged behind in almost every academic discipline:

In Germany, the first PISA report, released in December 2001, caused a sensation. The country that prided itself on its education system, on its contributions to Western science and philosophy - that had produced Einstein, Goethe and Marx - ranked at the lower end of the comparative spectrum. German students did poorly in math, science and reading, with limited literacy effectively lowering performance in all subjects. [...]The "PISA shock" undermined German self-confidence, because an international organization had shown that, in the 21st century, their education system was well below average. (Martens and Leibfried, 2007)

The low achievement levels of German students (which since then have improved in subsequent PISA studies) may not all be linked to the half-day school system, but they do show that there is room for reform in the German education system. Frustration with the shrinking importance of German universities (especially compared to the U.S.), the fact that Germany produces far fewer university graduates than many comparable countries, and doubts whether Germany's traditional three tier school system (*Hauptschule*, *Realschule*, *Gymnasium*) which typecasts children at age ten into career paths that classify them for life, have given rise to the introduction of full-day schools in the first decade of the millennium.⁴ By 2007, 25% of German schools offered all day programs, and a study of the same year initiated by the *Bundesministerium für Bildung und Forschung* (Department of Education and Research) concluded that full-day schools not only helped women (and men) combine work and parenting, they also significantly alleviate the financial pressure on families, and improve the overall quality time of families (Lubinsky, *Focus* online; March 2007). However, the switch from a half-day school system to a full-day system is not taking place without criticism. In Neuötting, Bavaria, for instance, Manuela Maier, a 47-year old mother who works as a caregiver for the elderly, reported that she was ostracized by other mothers when she signed up her 9-year old son at the first local school to offer afternoon classes so that she could return to work. Mrs. Maier, whose family needed the extra income, said she was repeatedly called *Rabenmutter* (=raven mother), after the black bird who pushes her chicks out of the nest. (Bennhold, 2010)

While the switch to full-day schools is seen as welcome and beneficial by most politicians and educators in Germany, the problems in Neuötting and elsewhere demonstrate how deeply the established system is rooted in German tradition, specifically Germans' misgivings about attempts to curtail the separation of *Bildung* (=education; domain of public schools) and *Erziehung* (=upbringing/raising children; parents' domain). This conflict also highlights how difficult it can be to overcome a mindset that still clings – at least to a certain degree - to the “three K's” *Kinder*, *Küche*, *Kirche* (Children, Kitchen, Church”) as primary sectors for women. Even more difficult, it seems, is the process of securing an opening in one of Germany's child care centers.

4.1. The Lack of Child Care Facilities

Although the concept (and name) of a *Kindergarten* as a form of early education for young children originated in Germany, the country, and in particular former West-Germany, exhibits a distinct lack in the number and availability of public child care facilities (privately run day care centers according to the U.S. model are rare in Germany).

⁴For detailed information about the development of full-day schools, see Augustin-Dittmann (2010: 49-81). There has also been a parallel rise of *Gesamtschulen*, which combine the three traditional secondary school types *Hauptschule*, *Realschule*, and *Gymnasium* into one (for more information see Mechan-Schmidt, 2010).

According to a 2010 report by the federal government, 20.4% of all children under the age of three attended a *Kindertagesstätte* (=day care center), commonly known as *Kita*. Moreover, the government's report revealed a large discrepancy between West and East: only 14.6% of children in the former West attended day care, while more than 46% of children under three in the former East were enrolled in a *Kita*. By early 2011, the city of Berlin alone was lacking more than 15,000 *Kita* places for young children (*Berliner Morgenpost* online, 26 February 2011). In November 2011, *Die Welt* online reported that the German government's goal of having 750,000 nationally available *Kita* places in 2013 was short by 230,000. The scarcity of available openings may be gauged by the following assertion in the government's report:

Bis zum Jahr 2013 sollen für bundesweit im Durchschnitt 35 Prozent der unter Dreijährigen Betreuungsplätze geschaffen werden. Dazu muss sich die Ausbaudynamik in Westdeutschland verdoppeln.⁵

"Day care spots for ca. 35 percent of all children under three years old are supposed to be created until the year 2013. In order to achieve this, construction in West Germany needs to be doubled."
– my translation.

In fact, securing a place in a *Kita* often requires parents to apply for a place already during pregnancy (a situation not unlike planning to purchase a car in former East Germany).⁶

Compounding the problem is an acute lack of qualified personnel for *Kitas*, which is likely the result of low wages (the average monthly income for full-time employees is 1,365 Euros in 2012; Focus online, Szarek: 19 March 2012) and of low job recognition. Stefan Sell, professor for sociology at the University of Koblenz, points out that the prestige of child care workers has suffered significantly since the 1980s:

Seit den 80er-Jahren hat der Erzieherberuf in der Gesellschaft eine stetige Abwertung erfahren. (Focus online, Szarek: 19 March 2012)

"Since the early 80s the profession of child care workers has experienced a continuous denigration." – my translation

Due to the lack of federal funding for *Kitas*– and perhaps due to the profession's low status - almost 60% of day care workers are employed part-time. The opening times of many *Kitas* in former West Germany represent an additional problem: many are only half-day facilities, and quite a few shut down during school vacations. By the summer of 2012, larger cities like Munich, Bremen, and Gelsenkirchen were considering hiring untrained immigrants as day care workers in order to bridge the gap in their respective *Kitas*

As Fulbrook (2009) points out, it is not maternity leave policies that are problematic for women who wish to return to work after childbirth but Germany's shortage of day care facilities:

The major problem for most women is not so much maternity leave and childbirth as what to do with their children by way of child-care when they do wish to return to work. [...] Most working women with small children had to resort to informal arrangements with a relative (such as a grandmother), neighbour or friend to look after the child. (Fulbrook, 2009: 342)

In fact, the lack of *Kitas*, perhaps even more than the half-day school system, can be regarded as **the** factor that contributes most to women being unable to re-enter the workforce after childbirth. Representatives of Germany's business community have entered the discussion and singled out the lack of available day care spots as a growing obstacle for German businesses. Hans Heinrich Driftmann, president of the *Deutsche Industrie-und Handelskammertag* (Chamber of Commerce Association) explained in an interview with *Die Welt*:

⁵It is interesting to note in this regard that the new federal states (former East Germany) have already surpassed this quota with 44-56%. (source: *Handelsblatt* online, 26 May 2012)

⁶Already in 2002, the so-called "Barcelona targets" were set during a meeting of the European Council in Barcelona, Spain. These policies stipulated that EU member states were supposed to offer childcare services for 33% of children younger than three by 2010. By 2007, only five member states – Belgium, Denmark, Finland, France, and Sweden – had met this target.

Fehlende Kinderbetreuungsangebote sind das Haupthindernis für Mütter, wieder ins Arbeitsleben einzusteigen. Der Engpass an Betreuungsplätzen wird für die Industrie zum immer größeren Ärgernis.

(*Die Welt* online, Neumann: 8 August 2012)

“The lack of child care facilities is the main obstacle for mothers to resume their professional lives. The shortage of available day care spots is becoming an ever-increasing vexation for businesses.” – my translation

Although German parents do have to pay for day care according to their income, most Germans firmly believe that child care is one of the state’s most basic responsibilities. A market-driven, private-based day care system like one finds in the U.S. would thus probably not be accepted by the Germans (see Kreyenfeld and Hank, 2000: 323-324). It is interesting to notice in this respect that the cost of day care in the U.S., which can run into the tens of thousands per year, might be a factor of why so many women in the United States (have to) work full-time:

A study released by the National Association of Child Care Resource and Referral Agencies (NACCRRA) [...] revealed that in 39 states and Washington, D.C., the average annual day care cost for an infant exceeded the cost of a year’s tuition and fees at a four-year public college. (*ABC News* online, Osunsami and Clarke: 3 August 2010)

On the other hand, having to wait for a place in a state-run *Kita* can bring with it the rather alarming problem of poverty, especially for single parents. As the German news magazine *3sat* (May 2010) pointed out: *Keine Kinderbetreuung, kein ordentlicher Beruf* (“No child care, no decent job” – my translation).

The lack of *Kitas* cannot only be ascribed to inadequate action by the German government. To a certain degree it results from Germany’s societal values, i.e. the belief that child care is harmful to young children.

4.2. ‘Mommy Wars’, made in Germany

As mentioned before, the distinction between *Erziehung* and *Bildung* is deep-rooted in Germany’s public mindset, and attempts to alter this distinction can lead to similarly heated discussions as the so-called ‘Mommy Wars’ in the United States.

The belief that day care is harmful to infants and can cause emotional problems or even psychological disorders later on is quite wide-spread in the old federal states. Alsop (2000: 173-175), for instance, reports that in 1991 “over 60 percent of West Germans thought that care outside the family was harmful to the young child.” (2000: 173) One (childless) woman aged nineteen, whom Alsop interviewed, said:

In the first few years the mother should stay at home, or the father, it does not matter.... Then the child should go to kindergarten. (Alsop, 2000: 174)

To this day, the topic remains controversial. An interesting aspect of this public discussion is the fact that it is no longer dominated by traditional political lines (i.e. conservatives favor stay-at-home moms and progressives favor working moms). Christa Müller, for example, a former politician for *Die Linke*, the most left-leaning party represented in the German *Bundestag*, declared in her book *Dein Kind will dich* (“Your child wants you”):

Bei der Genitalverstümmelung handelt es sich um Körperverletzung, bei der Krippenbetreuung in einigen Fällen um seelische Verletzung – und die ist manchmal schlimmer als Körperverletzung. (in *Der Spiegel*, No.9, 2008)

“Genital mutilation is a form of bodily injury; child care in a day care facility is in some cases emotional injury – and that is sometimes worse than bodily injury.” – my translation

On the other hand, Ursula von der Leyen, Secretary of Labor in Angela Merkel’s center-right coalition and herself a working mother of seven, is one of the strongest proponents of introducing a women’s quota of 30% in German boardrooms, which is discussed in more detail in section six.

The following section examines how female managers in present-day Germany cope with the factors discussed in previous sections.

5. “It is either or”

In a recent study, Peus and Traut-Mattausch (2008) interviewed forty-eight female upper middle managers from the U.S. and Germany to “explore the perceptions female managers in the USA and Germany have regarding their chances of combining work and family” (2008: 561). Twenty-five of their participants lived and worked in the USA (ages thirty-three to sixty), and twenty-three lived and worked in former West Germany (ages thirty-two to fifty-one). According to Peus and Traut-Mattausch, “87% of German managers spontaneously named work-life balance as a barrier to their career advancement, while the same was true for only [...] 38% of the American managers.” (2008: 565)⁷ An overall majority of the German managers reported that combining work and family was “often times [...] completely impossible.” (2008: 565) The following quotes from Peus and Traut-Mattausch’s interviews illustrate this perceived incompatibility:

It is only possible to have either a family or a career. (German manager 1)

Most of my female colleagues here who hold managerial positions don’t have children. It would not be possible. (German manager 2)

A bit of career, a bit of children, that is not possible, one has to decide as a woman – either or. (German manager 3)

(Peus and Traut-Mattausch, 2008: 565)

These statements stand in contrast to the American managers’ point of view in Peus and Traut-Mattausch’s survey. Despite anemic governmental support for working parents in the U.S., the American managers did not believe that work and family were mutually exclusive. (2008: 565)

Both groups of managers had either first-hand or second-hand experiences with prejudice at the workplace against women with children. In Germany, this went so far in one case that the participant’s superior simply stopped hiring women:

After three women in this company had gotten pregnant [...] my boss did not want to hire women anymore (German manager 4; Peus and Traut-Mattausch, 2008: 565)

Peus and Traut-Mattausch identify several possible reasons for the German managers’ difficulties to combine work and family. Among them are the lack of child care facilities and societal attitudes toward child care:

It seems that the lack of childcare facilities may be one important reason why women in Germany very often have to choose between a career and having children. (2008: 566).

While half of the American managers reported to frequently employ outsiders (e.g. nannies, babysitters, au pairs) to help them only two of the German managers mentioned the same. This reflects the particularly strong West German belief that childcare from a non-family member harms children and that children should be cared for by close relatives (2008: 569)

Accordingly, if a close-knit family structure is not in place or if family members do not live nearby, a career in upper management would be out of reach for most German women:

It would not be possible without the family to take care of child and work. (German manager 2)

If the family is not local, it is not possible to combine children and a career in the first ten years. (German manager 1)

(Peus and Traut-Mattausch, 2008: 569)

The desire to combine children and work and to lead a fulfilling life in both areas – as expressed by a majority of German women in a 2008 study by the magazine *Brigitte* – presupposes the availability of jobs that offer such benefits. This point takes us back to the current public debate in Germany about which measures should be implemented (and which not) in order to raise the percentage of women in upper management positions.

⁷The authors report that work-life balance “really meant balancing work and family.” (2008: 565)

6. Approaches to the Crisis: Quotas vs. Company Strategies

At present, two seemingly irreconcilable approaches are being discussed by German politicians and companies. The first approach, strongly favored by Secretary of Labor Ursula von der Leyen as well as by many Social Democrats, would enforce government regulation in the form of quotas which would require companies in the private sector to have a minimum of thirty percent of women in management positions. Von der Leyen justifies this concept by claiming that the present situation is simply untenable:

Wir sind im Augenblick, was Frauen in Führungspositionen angeht, auf Höhe mit Indien, und hinter Russland, Brasilien und China. Mit anderen Worten, es ist wirklich an der Zeit, dass sich in diesem Land etwas ändert.

(ntv, 31 January 2011)

“We are currently, with regards to women in executive positions, equal to India and behind, Russia, Brazil, and China. In other words, it is really time that things change in this country.” – my translation.

This motion has been met with severe criticism by the Minister for Family Affairs, Kristina Schröder (Christian Democrat), who, along with Chancellor Angela Merkel, is pursuing a different approach, namely a so-called *Flexiquote*, i.e. letting individual companies enforce their own regulation to increase the number of women in management positions. However, von der Leyen feels that German companies have had plenty of opportunities and incentives to do so and that relying on voluntary, individual efforts will not work. Kristina Schröder, on the other hand, sees quotas as too restrictive:

Eine gesetzlich verordnete Quotenregelung für Frauen in Aufsichtsräten kann nur Ultima Ratio sein. (ntv, 31 January 2011)

“A lawfully enforced quota for women in management positions must only be a very last resort.” – my translation.

Not surprisingly, von der Leyen’s approach is mostly criticized by colleagues of her own party and by the business-friendly Liberal Democrats (FDP), whose General Secretary Christian Linder called the idea of quotas “einen tiefen Eingriff in die Vertragsfreiheit und Personalpolitik der Unternehmen.” (*a deep cut into the freedom of contract and the staffing policy of businesses*, ntv, 31 January 2011). Although Angela Merkel has not endorsed quotas she recognizes the severity of the problem and strongly believes that solving it will require an ongoing political debate in Germany.

The introduction of women’s quotas has become an item that is debated all over the European continent. Several countries (Norway, France, Spain) have already introduced women’s quotas while others are in the process of doing so. However, initial data from Norway, which aims to have 40% females on its boards, seem to suggest that a quota law is less successful than intended with “less experienced boards, increases in leverage and acquisitions, and deterioration in operating performance” (Ahern and Dittmar, 2011: 1).

Several German companies, perhaps frustrated with the political impasse, have started to introduce their own internal quotas for women. The *Deutsche Telekom*, for instance – one of the largest telecommunication companies in the world – announced in 2010 on the company’s webpage that 30% of their upper management worldwide will be female by 2015. *Telekom* CEO Rene Obermann admitted that the company’s efforts to hire more women had been unsuccessful so far:

Unsere jahrelangen Maßnahmen zur Frauenförderung waren redlich und gut gemeint, der durchschlagende Erfolg blieb wie in allen großen Unternehmen leider aus.

“Our long lasting efforts to promote women were well meant and good but did not meet, like in all other big companies, with any resounding success.” – my translation.

Obermann justifies the company’s decision to introduce an internal quota with an obligation to society and the firm belief that the company will grow stronger with more women in its upper management:

Mehr Frauen in Führungspositionen ist kein Diktat einer falsch verstandenen Gleichmacherei. Es ist ein Gebot der gesellschaftlichen Fairness und vor allem eine handfeste Notwendigkeit für unseren Erfolg. Mit mehr Frauen an der Spitze werden wir einfach besser.

“More women in executive positions is not a misconceived egalitarianism. It is a commitment to more fairness in society and, above all, a tangible necessity for our success. We are simply going to be better with more women at the top.” - my translation

Obermann also announced that the *Telekom* would introduce day care centers as well as flex and part time work schedules for their new female managers. In 2011, the pharmaceutical giant *Bayer* followed suit and announced plans for an internal quota to also have 30% women in its upper management by 2015.

On the whole, however, most companies in the German DAX firmly oppose a quota law for different reasons: the *Deutsche Lufthansa*, for example, claims that it already has enough female executives while *Deutsche Bank* CEO Josef Ackermann simply stated he was *froh* (“glad”) that a quota law does not exist. Aside from rejection, it seems that the thought of having more females serving on German boards is not taken seriously by the male-dominated DAX corporations. Dieter Zetsche, for instance, CEO of *Daimler-Benz*, said in an interview with the *Frankfurter Allgemeine*:

Wenn ich das höre, dass in drei, vier Jahren 40 Prozent auf dem Führungsposten Frauen sein sollen, dann verraten Sie mir bitte: Wohin soll ich all die Männer aussortieren? Alle zwangsweise in Rente schicken? (*Frankfurter Allgemeine*, 24 September 2011)

“If I hear that in three, four years women are supposed to have 40 percent of executive positions, then please tell me: what should I do with all the men? Send them all into compulsory retirement?” – my translation

Ursula von der Leyen, meanwhile, is threatening to fine companies that do not set themselves a women’s quota:

Wer das selbst gesetzte Ziel verfehlt oder sich gar nicht erst eine Quote setzt, muss mit harten Sanktionen belegt werden. (*Frankfurter Allgemeine*, 24 September 2011)

“Those [companies] who miss their goals or do not even set themselves a quota must be punished with severe sanctions.” – my translation

Von der Leyen is receiving support from Brussels, where EU Commissioner for Justice, Viviane Reding, has introduced a bill that would make a 40% women’s quota mandatory for EU corporations by 2020. Great Britain is leading an initiative to prevent such a quota law. In mid-September 2012, the German government openly joined the British in this attempt. In a letter, addressed to the British Minister of Economics, Vince Cable, the German Minister of Justice Sabine Leutheuser-Schnarrenberger together with Kristina Schröder wrote:

Wir begrüßen und unterstützen [...] ausdrücklich die Initiative Großbritanniens. (Roßmann, *Süddeutsche Zeitung*, 15 September 2012)

“We appreciate and support [...] explicitly Great Britain’s initiative.” – my translation.

With this letter Germany joined ten other EU members that oppose a quota law. Together, these eleven countries will have a blocking minority in the EU which means that Reding’s plans – along with von der Leyen’s – will not likely be implemented in the EU in the near future. Only one week later, however, Germany's Upper House of Parliament, the *Bundesrat*, voted in favor of von der Leyen's quota, and sent the bill back to the *Bundestag* where it is awaiting a final vote in January 2013.

7. Conclusion

There are certain points in Germany’s history where women have played a significant role in the workforce, such as the period following World War II where *Trümmerfrauen* (“rubble women”) helped clear the streets and rebuild bombed-out cities because most of the men were either killed or had been captured as prisoners of war. The necessity of having more women in Germany’s workforce becomes clear if one considers the economic and demographic forecasts for the country’s future. Perhaps the only Western nation that came out of the Global Recession of 2007-2009 stronger than it entered it, the German economy is in dire need of more qualified workers in almost all areas, particularly engineering, if the current economic momentum is to continue.

The prospects for an on-going strong economy, however, are significantly curbed by Germany's very low birth rate (at present an average of 1.38 children born to each woman). It is estimated that the country's population will fall by more than 10 million over the next 50 years while at the same time much of the population will be sixty years or older. According to Steffen Kröhnert, a social scientist at the Berlin Institute for Population Development, the two main reasons for the country's low birth rate are poor state-run day care facilities and the half-day school system (Moore, 2010). Faced with these pressing numbers, Germany either needs to overhaul fundamentally its day care and school system or will be forced to accept hundreds of thousands of immigrant workers.

In addition, if Germany does not modify and modernize its current system then German businesses will run the risk of losing contracts to those businesses in the EU that do employ a quota. In March 2012, for instance, the *Rheinische Post* (24 March 2012) reported that several EU countries, which have implemented a quota, consider rejecting bids by German companies for public projects. EU-Commissioner for Justice, Viviane Reding, told the paper:

Wenn sich ein deutsches Unternehmen für eine öffentliche Ausschreibung in Spanien bewerben will, dann hat das nur Aussicht auf Erfolg, wenn es die spanische Frauenquote erfüllt. (*Rheinische Post*, 24 March 2012)

“If a German company wants to participate in a tender in Spain, then they will only have a successful chance if they fulfill the Spanish women's quota.” – my translation.

It would go beyond the scope of this paper to deduce whether a women's quota is the best way to approach the current inequality in German upper management. Historically, quotas are often criticized because they deviate from a focus on quality to a focus on quantity. Additionally, quotas are frequently viewed as a form of reverse discrimination. Advocates for quotas, however, point out that voluntary compliance usually does not work. Notwithstanding feasibility and popularity, Betzelt and Bothfeld (2011) point to a fundamental problem of implementing a quota law:

Activation policies are per se ‘paternalistic’ in the sense that they prescribe one specific model of living [... full-time paid employment] for all adult members of society, irrespective of their caring responsibilities or individual preferences. (2011: 82)

Similarly, Tuma (2011) expresses doubts whether most women really want a position in upper management (*Der Spiegel*, No. 6, 2011).

Regardless of future developments, it seems important that traditional mindsets in Germany need to change. It was not until May 2011, for instance, that the German *Bundestag* passed legislation that prohibits law suits against *Kinderlärm* (literally “children noise”, i.e. the noise children make when playing) on playgrounds and in *Kitas*. Until then it was legal to consider *Kinderlärm* a *Lärmbelästigung* (“noise pollution”) and sue against it. (*Wochenblatt* online, 26 May 2011)

Germany's resistance to any kind of national or European law that would increase the number of females in upper management positions seems curious considering the progress the country has made in other areas. *Die Welt* online, for instance, reported that the number of female soldiers has tripled in the last ten years (nine percent total) due to concerted efforts by the German Department of Defense (Kuhn: 11 January 2010). Currently, Angela Merkel's coalition is debating whether homosexual couples should be granted complete equal rights, including tax deductions and the right to adopt children.

During the early years of the new millennium, Germany has shown that it has the capacity to pass sweeping, even painful reforms if necessary, as was evidenced by then-chancellor Schröder's *Agenda 2010*, which cut deeply into much cherished entitlement programs. However, seven years after Schröder's reforms had become law the unemployment rate in Germany is at an historic low and the economy is booming.

It remains to be seen how much longer the *F(rau)*⁸-word will remain an F-word in German boardrooms.

⁸“Frau” is the German word for “woman”.

References

- Ahern, K., & Dittmar, A. (2012) "The Changing of the Boards: the Impact on Firm Valuation of Mandated Female Board Representation." *Quarterly Journal of Economics* 127(1): 137-197.
- Alsop, R. (2000) *A Reversal of Fortunes? Women, Work and Change in East Germany*. New York: Berghahn.
- Augustin-Dittman, S. (2010) "The Development of All-Day Schooling in Germany: How was it possible in this conservative Welfare State?" *German Policy Studies* 6 (3): 49-81.
- Bennhold, K. (2010, January 17) In Germany, a Tradition Falls, and Women Rise. *The New York Times*.
- Beyer, M. (1992) "The Situation of East German Women in Post-Unification Germany." *Women's Studies International Forum* 15(1): 111-114.
- Brandt, A., von Bredow, R., & Theile, M. (2008, February 25) Glaubenskrieg ums Kind. *Der Spiegel*, No. 9, 40-45.
- Deutsche Telekom führt als erstes Dax-30-Unternehmen Frauenquote für die Führung ein. (September 18, 2012). <http://www.telekom.com/dtag/cms/content/dt/de/829454>
- Deutschland: Armutsrisiko Mutter. Mangelde Kinderbetreuung macht Alleinerziehende zu Hartz IV-Empfängern. (2010, May 12). *3sat Magazin* online. (September 18, 2012). <http://www.3sat.de/page/?source=scobel/144200/index.html>
- Deutschland Schlusslicht: Krasses Lohngefälle zwischen Männern und Frauen. (2012, September 19). *Handelsblatt* online. (September 18, 2012). <http://www.handelsblatt.com/politik/deutschland/deutschland-schlusslicht-krasses-lohngefalle-zwischen-maennern-und-frauen-/6288410.html>
- Deutschland verbummelt die Kinderbetreuung. (2011, August 11). *Die Welt* online. (September 18, 2012). <http://www.welt.de/politik/deutschland/article13705093/Deutschland-verbummelt-die-Kinderbetreuung.html>
- Dodds, D. (1998) "Five Years after Unification: East German Women in Transition." *Women's Studies International Forum* 21(2) (1998): 175-182.
- Dodds, D. & Allen-Thompson, P. (1994) *The Wall in my Backyard. East German Women in Transition*. Amherst: University of Massachusetts Press.
- Drebes, J., Ingenrieth, A., & Quadbeck, E.. Deutschen Firmen drohen Nachteile in der EU. (2012, March 24). *Rheinische Post* online. (September 18, 2012). <http://www.rp-online.de/wirtschaft/unternehmen/deutschen-firmen-drohen-nachteile-in-der-eu-1.2765840>
- Fehlende Kinderbetreuung. (2008, June 2). *Berliner Morgenpost* online. (September 18, 2012). <http://www.morgenpost.de/berlin/article1558469/Berlin-fehlen-15-000-Kita-Plaetze.html>
- Frauen werden abgestempelt: Ministerinnen stritten über die Quote. (2011, January 31). *Ntv* online. (September 18, 2012). <http://www.n-tv.de/politik/Ministerinnen-streiten-ueber-Quote-article2492796.html>
- Fulbrook, M. (2008). *A History of Germany 1918-2008: The Divided Nation*. Oxford: Wiley-Blackwell.
- Gottschall, K. & Hagemann, K. (2002) "Die Halbtagsschule in Deutschland – ein Sonderfall in Europa?" *Das Parlament* Oktober 2002: 1-24.
- Kümmerling, A., Jansen, A., & Lehndorff, S. Immer mehr Frauen sind erwerbstätig – aber mit kürzeren Wochenarbeitszeiten. (IAQ Report). (September 18, 2012). <http://www.iaq.uni-due.de/iaq-report/2008/report2008-04.php>
- Lohngefälle: Deutschland ist Spitzenreiter im Diskriminieren. (2012, March 5). *Frankfurter Rundschau* online (September 18, 2012). <http://www.fr-online.de/wirtschaft/lohngefalle-deutschland-ist-spitzenreiter-im-diskriminieren-1472780,11764754.html>
- Lubinsky, M.P. Ganztagschulen entlasten Familien. (2007, March 19). *Focus* online. (September 18, 2012). http://www.focus.de/schule/schule/schulwahl/ganztagschule/tid-5341/studie_aid_51115.html
- Klage gegen Kinderlärm künftig ausgeschlossen. (2011, May 26). *Wochenblatt* online. (September 18, 2012). <http://www.wochenblatt.de/nachrichten/welt/Klage-gegen-Kinderlaerm-kuenftig-ausgeschlossen;art29,49575>
- Kirsch, C. (2009, September 8) Brigitte-Studie 2009: Diese Frauen machen keinen Rückzieher. *Brigitte*, No. 20, 1-5.
- Kuhn, F. Anteil der deutschen Soldatinnen verdreifacht sich. (2010, January 11). *Die Welt* online. (September 18, 2012). <http://www.welt.de/politik/deutschland/article5805412/Anteil-der-deutschen-Soldatinnen-verdreifacht-sich.html>

- Martens, K. & Leibfried, S. The Pisa Story. (2007, December 19) *Eurotopics*. (September 18, 2012). <http://www.eurotopics.net/en/home/presseschau/archiv/magazin/kultur-verteilerseite-neu/schule-europa-2007-12/martens-pisa-story/2> (accessed September 2011).
- Mätzke, M. & Ostner, I. (2010) "The Role of Old Ideas in the New German Family Policy Agenda." *German Policy Studies* 6 (3): 119-162.
- McCarthy, T. Women make gains in boardrooms worldwide, but US still lags behind. (2012, March 8). *The Guardian* online. (September 18, 2012).
- Mechan-Schmidt, F. (2010, February 26) A nation groans under the weight of reform. *The London Times*, 8.
- Moore, T. Baby Gap: Germany's birth rate hits historic low. (2010, May 23). *Time* online. (September 18, 2012). <http://www.time.com/time/world/article/0,8599,1991216,00.html>
- Osunsami, S. & Clarke, S. A year of day care more expensive than a year of public college? (2010, August 3). *ABC News* online. (September 18, 2012). <http://abcnews.go.com/GMA/Parenting/child-care-costs-skyrocket-america/story?id=11310236>
- Peus, C. & Traut-Mattausch, E. (2008) "Manager and Mommy? A cross-cultural comparison." *Journal of Managerial Psychology* 23 (5): 558-575.
- Roßmann, R. Ministerinnen lehnen Frauenquote ab. (2012, September 15). *Süddeutsche Zeitung* online. (September 18, 2012). <http://www.sueddeutsche.de/politik/widerstand-gegen-plaene-der-eu-ministerinnen-lehnen-frauenquote-ab-1.1468799>
- Soll ich Männer zwangsweise in Rente schicken? Interview mit Dieter Zetsche. (2011, September 24). *Frankfurter Allgemeine* online. (September 18, 2012). <http://www.faz.net/aktuell/wirtschaft/wirtschaftspolitik/daimler-chef-wettert-gegen-frauenquote-soll-ich-maenner-zwangsweise-in-rente-schicken-11369112.html>
- Szarek, D. Wie die Kita-Mitarbeiter ausgebeutet werden. (2012, March 19). *Focus* online. (September 18, 2012). http://www.focus.de/finanzen/news/arbeitsmarkt/tid-25265/miese-bezahlung-kaum-erkennung-warum-die-kita-mitarbeiter-auf-die-strasse-gehen_aid_723692.html
- Trzcinski, E. (2010) "Family policy in Germany: A Feminist Dilemma?" *Feminist Economics* 6(1): 21-44.
- Tuma, T. (2011, February 7). XY ungelöst. *Der Spiegel*, No. 6, 126-128.