



Germany 2004

Reconciliation of Work and Family Life

Minutes,
Peer Review Meeting,
Berlin
13-14 December 2004



on behalf of

 European Commission
DG Employment, Social Affairs and Equal Opportunities





1. Welcome and introduction

Chair: Roland Simon, European Policy Co-ordinator, Federal Ministry of Family Affairs, Senior Citizens, Women and Youth, and member of the EU Social Inclusion Programme Committee

Mr Simon welcomed participants to the ministry's newly refurbished visitor centre.

1.1 Malte Ristau-Winkler, Head of Department for the Family, Welfare Work and Active Citizenship, Federal Ministry for Family Affairs, Senior Citizens, Women and Youth

Mr Ristau-Winkler welcomed participants and expressed his hopes for a productive exchange of information that would benefit the host country as well as the visitors. He extended a welcome also in the name of Renate Schmidt, Minister for Family Affairs, Senior Citizens, Women and Youth, who follows very closely the development of family policy both within and outside the EU.

Family policy has attracted an increasing amount of attention in Germany over the last few years, as government, media and companies have realised its importance. Policy has taken a new direction, both for demographic reasons – the low birthrate – and also for economic reasons: the business community has realised that family friendly policies improve innovation and economic growth. This has led the Minister to found an alliance with trade unions, companies and other relevant actors to promote family friendly policies and a family friendly philosophy at work.

Secondly, 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. These ideas are in line with the Chancellor's goals as set out in *Agenda 2010*.



The business community is promoting this policy more strongly than they do in other countries, which is something that Germany might be able to share.

1.2 Hugues Feltesse, Directorate-General for Employment, Social Affairs and Equal Opportunities, European Commission

I should like to start by thanking the German government for the contribution it is making to the social inclusion peer review programme.

Our goal is mutual learning: the representatives of peer countries expect to learn how Germany has implemented its ambitious policy to reconcile work and family life. They therefore expect nothing less than a frank account of what works – and of what does not work as intended, or not at all. However the hosts can also learn, both from the critical remarks of their peers and from the experience of other countries.

The reconciliation of work and family life is certainly a very important topic, and one that has a social inclusion dimension. Some key challenges that have been mentioned are:

- the low birthrate, which has a negative impact on economic growth, the sustainability of the welfare system and the capacity of the population to participate in the social dimension
- the high poverty risk of single parents
- the flexibilisation of working time
- incompatibilities between work and childrearing

To tackle these problems we need a better policy mix, with a strong impact on low income and disadvantaged families, which improves the compatibility of work and childrearing, puts in place pathways to work for disadvantaged families, and supports childcare. To implement this we need to mobilise all stakeholders: businesses, local authorities, NGOs and families themselves.

But we are not content with mutual learning alone. Our second objective is to facilitate the transfer of key components, methodological approaches and organisational frameworks of policies that have proved effective in combating poverty and social exclusion. Each participant therefore has a specific responsibility in this regard, especially those who are close to the national policy-making processes. The transfer of policy will be supported by the wide dissemination of the results of the seminars, via the peer review programme's newsletter, website and reports.



It should be remembered that the peer reviews do not aim to rank policies competitively – it is not a ‘hit parade’. Nevertheless parts of policies can be replicated if appropriately adapted to cultural, institutional and economic contexts.

This leads to final objective of the peer review programme – to improve the effectiveness of policies and strategies in this area. This is a vital challenge, especially given that social policies, and social inclusion policies in particular, still meet scepticism and downright opposition in certain circles, who see competitiveness policies as sufficient to guarantee everybody’s welfare.

I am not exaggerating when I say that with the peer review methodology, within the open method of co-ordination in social inclusion policy has reached full maturity. But two other instruments also exist.

Firstly, trans-national action projects support the exchange of experience between partners from at least three Member States sharing an interest or policy background. The goal is to promote networking, dissemination of information, transfer of good practice and the mobilisation of actors on a wide basis. The 31 projects selected for 2004-05 mobilised over 150 local authorities, research centres, NGOs and service providers, and over 1,000 partners were involved in submitting proposals. A new call for proposals was published a few weeks ago.

Secondly, the Social Protection Committee organises an annual peer review, which analyses all the National Action Plans for Social Inclusion. It looks at the key challenges and strategic options of each member state and assesses how each country has translated the EU’s common objectives into national policy.

2. The Alliance for the Family (*Bündnis für Familie*)

**Chair: Jürgen Schumacher, INBAS Sozialforschung GmbH,
Peer Review Manager**

Participants introduced themselves briefly.

2.1 General presentation

Nina Parra, Unit for the Family Friendly Workplace and Business Culture, Federal Ministry for Family Affairs, Senior Citizens, Women and Youth



The Alliance for the Family has several elements:

- strategic co-operation
- local alliances for the family
- the inter-company competition "Success Factor Family 2005"
- a network of companies

It also carries out studies and benchmarking and identifies best practice.

The **partners** of the alliance are the key bodies that influence workplace culture: the trade unions confederation DGB¹, the chambers of commerce, the Bertelsmann² and Hertie³ Foundations, and the main industry federations: BDI,⁴ BDA,⁵ DIHK⁶ and ZDH.⁷

The Alliance was founded to support a sustainable family policy: our children, especially those living in less privileged homes, need better early years education, our economy needs a higher women's labour market participation rate, and our society needs a higher fertility rate. The better reconciliation of family and work will enable single parents to become economically independent.

Several feasibility **studies** and cost-benefit analyses show that the return on investment in family friendly measures is over 25%. When you are trying to convince companies to change, these economic arguments speak far louder than social arguments.

We conducted a survey of what families want – and what they want most of all is flexible working time.

We have also sponsored a study by the Institute of the German Economy⁸ to find out what formal collective agreements (*Tarifverträge*) and internal agreements within companies (*Betriebsvereinbarungen*) already exist. The result will be a toolbox that provides companies with ideas for such agreements and how to formulate them.

1 Deutscher Gewerkschaftsbund (German Confederation of Trade Unions), www.dgb.de

2 www.bertelsmann-stiftung.de

3 www.ghst.de

4 Bundesverband der Deutschen Industrie (Federation of German Industries), www.bdi-online.de

5 Bundesvereinigung der Deutschen Arbeitgeberverbände (Confederation of German Employers' Associations), www.bda-online.de

6 Deutscher Industrie- und Handelskammertag (German Chambers of Industry and Commerce), www.dihk.de

7 Zentralverband des Deutschen Handwerks (German Confederation of Skilled Crafts), www.zdh.de

8 Institut der Deutschen Wirtschaft Köln, www.iwkoeln.de



Another element of the Alliance is the **Career and Family Audit**, which was initiated by the Hertie Foundation and supported by the main industry federations and the Economy and Labour Ministry as well as the Family Affairs Ministry. It is a management tool that companies can use to evaluate which family friendly measures would be of benefit to them.

The “Success Factor Family 2005” (*Erfolgsfaktor Familie 2005*) **competition** was launched in September 2004 under the auspices of Chancellor Schröder. It offers a prize for the best performing company in each of three size categories, as well as a fourth award for innovation. The competition has been run every three years or so, and this time has already attracted 366 applications, seven times more than in previous years.

A very big element of the Alliance’s work is the **Local Alliances for the Family**, an initiative taken by the Family Affairs Ministry in 2004. Its aims are to support existing alliances on the local level, and found as many new alliances on the local level as possible by 2006. The overall objective is to generate concrete improvements for families in municipalities. As members, the local alliances include municipalities, churches, companies and trade unions. They are forums for ideas, discussions and concrete measures.

The extension of the supply of **childcare** is another significant part of the Alliance’s work.

The enabling Act of Parliament was passed in October 2004 and will come into force in 2005. Its goal is a quantitative and qualitative extension of childcare, with a focus on under-threes, so as to achieve a demand-based provision for all groups. This means that there should be enough places to satisfy each type of user, including those with special needs. These include single parents, parents who both work and children whose parents cannot bring them up properly.

The Federal level provides the funds to the municipalities, who on the quantitative side are responsible for ascertaining what the needs are and providing the childcare places to satisfy them. There is no estimate of numbers – this depends on local situation. We know that demand is highest in western Germany.

Qualitative improvement means that the staff should be properly qualified, and the ratio of staff to children adequate. There is currently a debate as to whether



professional nursery nurses (*Erzieherinnen*) should be required to obtain a degree from a university of applied sciences (*Fachhochschule*).

2.2 Role and function: Professor Dr Ute Klammer, University of Applied Sciences, Mönchen-Gladbach, Host Country Expert

This presentation aims to place the Alliance for the Family in its context, to give an idea of the main problems and development of work-life balance in Germany, and to draw some conclusions as to the possible outcomes of the policy.

First, I will present some empirical findings about the general background of family policy, work-life balance, and how families really cope with the existing support or lack of support they get. I will then go into a little detail about the new Alliance for the Family approach, focusing on two particular sub-programmes: the Local Alliances for the Family and the Career and Family Audit. Finally, I will outline some possible outcomes of this policy.

Empirical findings

The general policy background is quite problematic as it is based on the classic conservative male breadwinner model, offering high subsidies to single-earner families. A lot of different regulations support this model. There is a lot of financial support, but a lack of infrastructure, and a work culture which takes insufficient account of mothers as workers.

There has now been a change in awareness, mainly driven by the catastrophic demographic trends. Fertility rates in Germany have plummeted to 1.3 children per woman (as against 2.1 to achieve a stable population). This gives a net reproduction rate of 0.65, and ranks Germany 181st out of 191 countries worldwide.

The social democrat government that came to power in 1998 at first continued the previous policy by increasing cash benefits, but have since changed their emphasis and now aim to improve reconciliation. A modified full-time plus part-time breadwinner model is now in the agenda.

One of the main problems is the inadequate public provision of childcare for under-threes. In west Germany supply is grossly deficient – only 2.7% of un-



der-threes have places – while in east Germany it is just about sufficient, at 37%. Even though there is a legal right to a kindergarten place between three and six years old, even this is not satisfied everywhere.

Coverage of public childcare: Germany, 2002

No. of places available as % of all children in the age group⁹

Age of child	0-2	3-6	6-13 (after-school)
Germany	8.5	90	5.8
West Germany	2.7	88	3.1
East Germany	37.0	105	22.4

There are also problems with kindergarten opening hours – most are only open for half the day, which is not even long enough to enable mothers to work half-time, and do not cover unusual working hours or evenings at all.

The new law will focus on extending care facilities for under-threes, but it will not make this a legal right as in Sweden, even though the OECD recommended that it should be. The idea is to expand childcare facilities to meet demand – and especially to serve the needs of single mothers and working mothers. But there is an implicit ‘catch 22’ here: to get a childcare place you have to prove you are working, but you cannot get a job until you have a childcare place. So the first step is to find out what the real demand is.

The new east German states (the former GDR) do not have the problem, because they had good coverage and fertility has fallen so dramatically.

Although there are still a lot of incentives for the one-earner or one-and-a-half-earner family, women’s overall labour market participation has risen a lot in Germany in recent years, and is now over 60% (the EU goal for 2010). However among women with children under three it is below 50% – and if you exclude those on parental leave it is around 30%. This would not be a problem if we did not know that many mothers want to work but are unable to do so: about 50% of couples with small children still live in a traditional single-earner model, but only 6% want things to be this way.

The division of labour between the sexes is clearly shown if we consider the hours worked by men and women through the family cycle. The number of

⁹ Source: Calculations of Bäcker/Bispinck/Hofemann/Naegele, *www.sozialpolitik-aktuell.de*, based on Statistisches Bundesamt (2003a): *Statistik der Kinder- und Jugendhilfe*, Wiesbaden.



hours worked per week, which for both men and women starts at around 40 hours per week, drops for women to around 20 as soon as the first child arrives, and never recovers.

This is borne out by earnings: over their lifetime west German women born 1936-55 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: on average they earn 71% of male lifetime earnings, and even mothers with one or two children come close to this. One particular problem group is single mothers, who do not benefit from the tax breaks given to married couples. About 26% are on social assistance and 31% are living below the poverty line.

The new approach – the Alliance for the Family programme

This was launched by the Family Affairs Ministry and the Bertelsmann Foundation quite recently, in 2003, which means we do not yet have much data on its outcomes. Its central goal is to develop a family friendly atmosphere and company culture and to improve the options as regards work-life balance. It starts from three assumptions:

- Firstly that Germany needs a higher fertility rate;
- Secondly that the German economy needs a higher labour market participation by women in general and by qualified women in particular, because it is they who face particular problems in combining work and family life. About 1 in 4 women aged 45 has no children;
- Thirdly, children need better education and guidance in their early years. Germany ranked very badly in the Pisa studies, because early years education in Germany is not working well, in part because of the lack of childcare.

A new feature of the Alliance for the Family is the wide range of actors involved: it has been recognised that family policy is no longer a matter for the Family Affairs Ministry alone, and a competence network of scientists has been set up to accompany the programme. This is quite new for Germany.

Local alliances for the family

This initiative was started about a year ago, with the main aim of building local round-table alliances of relevant actors such as town councils, companies,



employers' associations, trade unions, churches, clubs, third sector organisations, NGOs and so on. The programme has had a very promising start, with the hundredth local alliance being founded after only 11 months.

The Family Affairs Ministry supports the process through a service bureau, which promotes new alliances by offering counselling, running workshops on public relations, operating a database of alliances to spread ideas on what can be done, awarding a 'local alliance of the month' prize and so on.

There is also a scientific accompaniment run by the German Youth Institute (*Deutsches Jugendinstitut, DJI*) in Munich, which has a very informative website.¹⁰ 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.¹¹

Career and family audit

In Germany this scheme is run by the Hertie Foundation, and helps companies to develop family friendly strategies that suit their particular situation. 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
- 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.

10 see www.dji.de

11 see www.familienbuendnisse.de/testarea/index.php?link=hertenport.php



Results

It is difficult to say what the outcomes of the **Local Alliances for the Family** are, as there are not as yet many data. This is partly because the programme has only been in place since 2003, and because the main result is a family friendly atmosphere in society, which is hard to measure.

It is however possible to identify what is new and positive about the programme. First, it addresses all kinds of actors, not just government, and has bound them together around a common objective. Second, it has a local focus, and recognises that different regions require different policies. Third, it pursues the right goals – a better work-life balance and a higher women's labour market participation – which is in line with EU policy and could reduce social exclusion, especially among single parents. What is more, there is high public acceptance of local alliances – 86% of all people and 89% of women think they are a good thing.

As regards the **Career and Family Audits**, it must be admitted that so far most German companies are not very family friendly. The most important barrier is that the work culture in most companies does not suit two-earner families. For example very few companies run childcare facilities, although everybody knows that public childcare is underdeveloped. However what has been done in German companies is the development of a broad range of flexible working time models. More than 90% of companies offer flexitime – but it is not clear who can make use of them or who has time sovereignty – i.e. who decides who can have time off?

In quantitative terms, so far 80 companies, with 220,000 employees, have gained the basic certificate. At least the number is increasing, and we should not underestimate their exemplary effect. A survey has shown that 80% of employees in firms that undertake the audit are more satisfied and motivated due to the better recognition of their family responsibilities. And in 70% of certified firms, the quality of work improved.

Such measures have to be part of an interlinked strategy, one part of which is to show companies that family friendliness pays off. Convincing evidence such as that of the Prognos study, which shows that family friendly policies result in a 25% return on investment, might lead to a bigger effect in future.



One good feature of the audits is that they encourage the voluntary transfer of good practice. Nevertheless it is possible to envisage a flexible style of legislation that offers the same menu of family friendly measures as those proposed on the current voluntary basis. Whether in the future public opinion will act as a sufficient spur to adopt them is an open question. What is certain is that in the present conditions of high unemployment (with an overall quota of 11%, and more than 20% in some East German regions) many firms do not need to attract women workers, and it is the larger companies like Commerzbank or Karstadt¹² that have moved furthest.

Research has always shown that the main problem in Germany is the contradictions in the law: some elements of family policy encourage women to work, while others support the male breadwinner model. For instance some new regulations have encouraged second earners to take up marginal employment (*geringfügige Beschäftigung*).

Conclusions

What is needed is a new work culture, in which all companies automatically take into account that all employees have caring responsibilities. The Alliance for the Family initiative can definitely contribute to this.

However it can only be part of what we will have to do in Germany. What has not yet been changed is the raft of incentives for single-earner families. We still give massive subsidies to male breadwinner families. In particular couples can opt to be taxed jointly, under what is called matrimonial tax splitting. This means that a married woman who starts work after childrearing has a very high marginal tax rate. For instance a single person earning €20,000 per year would pay about 16% income tax, but a second earner in the family would pay between 28% and 42% depending on the size of the first income. On top of this come social security contributions, as well as childcare costs of course. It is therefore not worthwhile for many mothers to take up part-time work.

The overall conclusion is that the programme is going in the right direction, but the ambivalence of family policy in Germany is not yet resolved.

12 Hertie now is a subsidiary of Karstadt



Discussion

Ruth Farrugia commented that the current Maltese budget introduces a one-year tax-free period for women who go back to work. It will be interesting to see if this is an effective incentive.

Hugues Feltesse asked whether parental leave was regulated or voluntary. Ute Klammer explained that Germany has a very generous system which offers up to three years' leave, which can be divided flexibly between the parents. Parents can opt to receive an allowance of up to €300 per month for two years, or one of up to €450 for one year. In the third year of the leave period there is no monetary benefit. Although the law applies to both parents, 98% of people who take leave are mothers. Unlike the very good Swedish system, there is no 'daddy quota' (meaning that a certain part of the leave must be taken by the father) and no earnings replacement. It is a means-tested flat rate. There is a job guarantee for up to three years per child.

2.3 Comments by peer countries

Austria

Johannes Pfliegerl: The framework conditions in Austria are similar to those in Germany – the fertility rate is 1.38 (cf. 1.48 in EU-25). It has also witnessed a significant increase in the gainful employment of women, but much of this consists of part-time work and low-level work, which, although many women prefer part-time work, indicates that reconciliation is difficult. In 2002 a new childcare allowance (*Kinderbetreuungsgeld*) law was introduced. This extends parental leave to cover housewives, students, farmers and self-employed, not only employees.

Again as in Germany, there is a lack of childcare in some regions. And there is a similar cultural obligation to stay at home – which means that even if measures are provided, they may not be taken up. Mothers tend to stay at home for three years after the birth of each child (cf. France one year). The situation regarding childcare outside the home is also similar.

Austria's NAP/incl. 2003-2005 has reconciliation as one of its nine key goals. Austria started family and work audits in 1998 and also runs a competition for woman and family friendly companies. It does not have a co-operation group



on work-life balance, but it does have an audit of family and child friendly communities (*Audit Familien- und Kinderfreundliche Gemeinde*) which operates a little like the local alliances.

Elisa Zechner felt that the glass is neither half-full nor half empty: we have done something, but can still learn.

As regards sustainability, what is missing is a joint commitment from the various bodies. For instance the employers are working on reconciliation – but they are doing it in a spirit of competition. We need a common declaration with other stakeholders to promote joint working.

Furthermore, 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 NAP/incl. also lacks this integrated viewpoint: the connection of family policies to population, gender and health policy is missing. Experts and politicians stick to their professional viewpoints and do not see the interrelationships. We can learn from the co-operation practiced in Germany.

As regards transferability, the relevant questions for Austria are:

- what cultural awareness is necessary to create this complex understanding in government and companies?
- what incentives could motivate companies to tackle social problems? We have a big discussion on corporate social responsibility, but have yet to link family policy to CSR
- what resources and strategies have enabled this approach to succeed: which budgets and which partners are financially active?
- how is the service centre funded, staffed and operated?

Cyprus

Eleni Loizou: To sketch the background, Cyprus has moved to dual breadwinner model, but women are still expected to look after the children and elderly parents. We also have a strong family support system, in that grandparents help a great deal with childcare.

Cyprus has joined the EU with very high women's labour market participation – and most work is full-time; opportunities for part-time work are very limited.



Working women are very well qualified: 20% of them have a university degree, and 18% have a master's degree. Many Cypriots go abroad to study and come back to take a job for which they are over-qualified.

The government offers maternity leave and parental leave benefits as well as child benefit, whose value depends on the number of children.

Childcare is provided by the public, private and community sectors, and parents choose dependent on location, opening times, fees, etc. One important recent change is that to whole-day schooling. School used to operate from 07:45 till 13:00, but it is now extended till 16:00. This change is already in operation in elementary schools (from five years old).

The other important change is the introduction of compulsory pre-school education for 4 + 8 months olds. For under-threes there is a varied but limited care provision.

There is some involvement of social partners, especially trade unions. Overall, though there is a widespread recognition of the problem, we are still at an early stage in addressing it.

As regards potential **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, we have to consider what incentives small companies would need to introduce family friendly measures or undertake a career and family audit.

Another question would concern the pros and cons of the legislative versus the voluntary route.

A key topic, as everywhere, is providing childcare for under-threes, and ensuring that it is of high quality. From this follows the need to define what we mean by quality.

Thalia Nicolaou: The political turmoil over the last 30 years forced women into the labour force all of a sudden. Things therefore had to move fast to help them. There were 200,000 refugees who were split up geographically, so a strong



community organisation programme was needed. NGOs have played a major role in this: with only 700,000 people, Cyprus has 240 NGOs running 350 programmes with a budget of CYP 4 million (c. €7m) for a grants-in-aid scheme which helps day care centres, old-age centres, kindergartens, after school care etc. However there is still a lot to be done for the under-threes and to change working times.

Thinking of transferability, there are two umbrellas under which transfer could be carried out: the Committee for the Family and the Cyprus Organisation for Standardization. Cyprus's NAP/incl. includes a study on reconciliation to be carried out in 2005.

Ruth Farrugia: Malta has same problem – that qualified women get good jobs, drop out to have children, then when they rejoin the labour force they lose out to people with less education but more experience. *Ute Klammer* added that this is also a problem in Germany. A study on how two-earner families cope showed that women had to reduce their career aspirations in order to rejoin the labour force. It is therefore inadequate to look simply at women's labour market participation rate – we have also to look at the proportion of underqualified work.

Estonia

Kadri Lühiste: Estonia has gone through very rapid restructuring in the last 15 years. Fertility dropped dramatically, but is now rising again to 1.37, possibly owing to the recently introduced 'parental wage' measure. Soviet rule bequeathed the country the dual breadwinner model. However upon independence, a reactionary tendency known as the Romantic Movement tried to turn the clock back to the late 1930s – but modern economic conditions made this impossible. Though women's labour market participation has fallen a lot, it is still above the EU average at 59%. Opportunities for part-time work are limited, and both sexes are expected to work full-time.

Owing to the 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. As in Soviet times, the dual breadwinner model means that while men and women share responsibilities at work, women bear the entire responsibility at home. So the issues of gender equality, the work-life balance and the reconciliation of work and family life are quite new in Es-



tonia. Nevertheless there have recently been signs of growing concern over this issue.

The first step is to disseminate more information, and one thing we want to learn is how to persuade employers. Most Estonian employers are small and micro, so it is rather difficult to motivate them. Another issue is how to promote inter-ministerial co-operation. We would also be interested to learn how the service bureau is financed. Finally, the ageing population means that we have to consider how best to reconcile work with the care of elderly people, not just of children.

Kati Karelson: Gender issues have not been much debated in Estonia, as it is a relatively equal society despite evidence of widespread gender segregation. Women's labour market participation has historically been high, and after independence the move was in the other direction: society believed women should go back to their traditional roles as wives and mothers in the home. This failed, mainly because of the dramatic decrease in household incomes, and this Romantic model was dropped. The result is that women have a double role, and have to combine work and domestic responsibilities.

To develop a coherent view of this issue, we need to create a round table that enables discussion among all actors. Currently, social solidarity on this issue is low and employers do not feel responsible. Nor do the different departments and ministries involved co-operate with each other. Trade unions see their main role as negotiating wages, and ignore family issues.

As the topic is new to Estonian society, there is no monitoring, and no awareness of methodology or of what different models of flexibility mean.

There has been some legislation but it is scarcely applied in practice because the working culture does not support new approaches: at the moment employers prefer to follow the traditional model and do not understand what flexibility means.

Two issues need investigation. Firstly, men: their average life expectancy is 15 years shorter than that of women, and their health and risk behaviour are an issue if we are thinking about how to include them in the family and get them doing housework. We also should research the impact of new family friendly measures on the welfare of children.



Hungary

Zsuzsa Kormosné Debreceni: Owing to their similar recent history, Hungary shares a lot of issues with Estonia. However in comparison with Cyprus, the political turmoil of early 90s, far from forcing women onto the labour market, had the opposite effect. It was a survival mechanism to retire to the family to avoid unemployment. Hence, the women's labour market participation is very low – about 50%, far below the Lisbon target.

Hungary traditionally has a very good system of family support, but it is largely based on financial support. Various governments have handled the problems in a different way. Conservative governments tend to promote the family as such while socialist/liberal governments like the current one promote the family as different target groups such as children, women, older people etc. At the moment there is no department in the Ministry for Youth, Family, Social Affairs and Equal Opportunities dealing with the family, and family issues are not in first place.

The family support system has lots of elements, but the level of support is low – and therefore many families face poverty. We began to make workplaces more family friendly five years ago, but face the same problems as Germany – companies are uninterested in the issue. But there is also a positive side: companies that get involved in the family friendly competition start to become creative and inventive, and some, like accountants which have many other businesses as clients, become multipliers of family friendliness.

As concerns the Alliances for the Family, the government is slowly learning to work with other actors. They find it difficult to work with NGOs, churches and employers, as they are used to being 'authorities' not 'servants'. Whilst the outlook is hopeful, the process could take some time.

An amendment to the social law is in parliament, and it introduces the possibility 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 worked with the Hertie Foundation to adapt the Work and Family Audit to local conditions, but it is not yet in operation.



The award for family friendly companies has existed for five years, but the number of applications oscillates around 100 and there is no development. This is possibly due to inconsistent government policy on this issue. One way of giving it a new impulse might be to introduce an award for innovation, as Germany does. A further idea is to expand the content of corporate social responsibility, which is currently understood to mean sponsorship, to include family friendliness.

Carmen Svastics: Hungary has a number of sources of funding it can use to promote family friendliness, including the ESF and EQUAL money.

Hungary launched its award for family friendly companies relatively early, in 2000, based on international and mainly German examples. The cooperation with the German actors and initiatives in this field goes back a long time. When launching the Family-friendly Workplace Award for the first time the Ministry consulted the trade unions, who warned that no one would be interested. Luckily they were wrong but it is true that changing the work climate and making employers fully aware of the responsibilities they have for the employees – including the harmonisation of work and family duties – is a long process. The family-friendly initiative felt it was important not to leave anyone out, and opened the award not only for the private sector but also to the public sector. Although the underlying aim was to push for gender equality – as because of the double burden it is women who tend to be responsible for household chores beside their paid work – , it was put over softly, so as not to deter men and economic decision makers.

In December 2003 we also passed a new equal opportunities law that obliges institutions and companies that are in majority in public ownership to prepare an equality plan by the end of 2004, which is to cover not only gender, but ethnicity, disability, parents with young children and so on. It will be interesting to see how employers look at equal opportunities and their tasks in realising it.

Malta

Frank Mifsud: We support the idea of the Alliance for the Family. The fact that Malta is so small, with a population of 400,000 on an island 30 kilometres long, has the advantage that it makes it easier to bring the stakeholders to-



gether: 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.

The two main trade unions are in favour of gender equality, but are not that committed to family friendly policies at the moment. The employers also agree in principle – but need good arguments to convince them.

The National Commission of Equality between Men and Women has, with ESF support, started a study on the benefits of family friendly policies, so as to be able to sensitise the social partners. The Malta Council for Economic and Social Development brings together the government, employers and trade unions in a forum to discuss family friendly policies, so this is the first step towards an alliance. However the church, which is a very influential partner, needs to be brought in, and might have different ideas on working mothers.

Ruth Farrugia: Several issues that came up in discussion may merit further debate:

- The role of father – childcare is not only a women's issue;
- We need to acknowledge interconnecting roles; sometimes we consider the family as a whole, and sometimes its members: the father, the mother and the children;
- Much research contraindicates childcare for under-threes, and especially for children under one year old. The emphasis is put on women and enabling them to go out to work, but we also need to take children and their rights into account;
- The idea of the ideal worker who thinks about nothing all day except work, and who stays late to finish jobs, is still alive in Malta. So what are the criteria for the award of the certificate to German companies in recognition of family friendly policies? Malta would do well to look at these criteria;
- The extension of school hours – how to convince the trade unions? The Maltese teachers union would have a problem with this. Suggestions have been made to use school premises for alternative activities under the supervision of persons other than teachers. In Malta people tend to work to fit school hours and the school day is relatively short;
- Legislation is not the answer a lot of the time: convincing people is often more important.



Slovakia

Katarina Bartonova: The situation in Slovakia is again similar to that in Estonia and Hungary. Women's labour market participation is high and full-time – only 3-4% of people work part-time. This measure of family friendliness is therefore not used in Slovakia. The low average wage means that most families depend on a double income. Another complication we have to face is that employers are not aware of the issue. We have run a 'family friendly employer' competition since 2000, but the results are not as impressive as we would wish, so we hope that we can learn something from Germany.

As for childcare we had a good supply till 1989 – nurseries for the 0-3 age group and kindergartens for 3-6 year olds. However in the 90s the nurseries fell out of the system because the Ministry of Health abandoned them and Ministry of Social Affairs only deals with kindergartens. Today there is no reliable information, as the responsibility has been passed to the municipalities, and they don't have the finance necessary to run them.

Another interesting aspect of the German example is how to bring the different actors together: regional and local authorities, companies and trade unions (which in Slovakia focus on wage negotiations).

UNICE – *Union des Industries de la Communauté Européenne*

Carlotta Köster-Brons: The birthrate in Germany has fallen to 1.3 births per woman, or 1.5 per 1,000 inhabitants – and this is despite the fact that if you ask young people between 20 and 34 years old, they say they intend to have 2.3 children each. Somehow it turns out that 40% of them end up without any children. This is a problem because a low birthrate will have a negative impact on the economy. Fewer children means a smaller workforce, which means less wealth. A smaller labour force will also make it difficult to sustain a contributions-based social security system.

The Confederation of Employers' Associations (*Bundesvereinigung der Deutschen Arbeitgeberverbände, BDA*) therefore believes that we need a paradigm shift. We invest quite a lot in family policy – €150 billion per year – but it has not meant that more children are being born nor enabled more women to work. This is why the transfer system has to be changed so that we invest more in daycare facilities for children than we have in the past. The Scandinavian



example shows us that where good childcare facilities are available, more children are born.

It has already been mentioned that some amendments have been made to the Bill that is before Parliament. The OECD study *Starting Strong*¹³ points out that east German and west German states (*Länder*) differ markedly: the western states held onto the one breadwinner model for too long.

What does this mean for companies? Companies currently face many structural changes. But what is also changing is the women's desire to work. Many firms are striving to reconcile work and family life better. Though the agreement that has been reached with the government is a voluntary one, more and more companies are in fact acting. So we see that the voluntary agreement was the right method, as more companies are going that way. As the Prognos study (see section 4 below) shows, it is the economic benefit of family friendly measures that will tell.

In conclusion, we need changes in the financial transfer system – but we also need a more child-friendly culture in the country at large – we need to be more welcoming towards children – and we need a shift of personnel policy in companies towards the reconciliation of work and family.

3. Presentation of the discussion paper

Tatjana Marinell, Innsbruck, Thematic Expert

The creation of the Alliance for the Family is based on the consensus that a higher birthrate, a higher women's labour market participation rate and the best education and upbringing for children are needed if Germany is to cope with the challenges of demographic change and international competitiveness. The general demographic trend has been similar since the 1960s across the EU-25, but its speed and the reasons behind it differ according to each country's economic, social and cultural development in recent decades.

We are talking about changes in the size and structure of households and families. More people live alone, and more couples live together unmarried. Fewer families have two or more children. There are fewer and later marriages and

13 see www1.oecd.org/publications/e-book/9101011E.PDF



children, and a growing number of divorces. Singles, single parents, and families with three or more children are the three groups that face a significantly higher risk of social exclusion and poverty. As Professor Klammer said, in Germany 26% of single mothers are on welfare benefits, and 31% are below the poverty line.

As for the economic context, a study by the German Institute for Economic Research¹⁴ shows that the incompatibility of work and family life leads to an astronomical loss of taxes and social contributions. If the 245,000 unemployed graduates could find work, because of the existence of childcare facilities, then an additional €1.1 billion a year would flow into the national coffers. If the million single parents dependent on welfare benefit could find jobs, this would save the welfare providers over €6.6 billion a year, with local authority savings on top of that.

The proportion of working women has already increased to 60%. International comparison shows that higher labour market participation correlates with higher fertility (e.g. in France, Sweden).

There are various models for the family. While Germany has chosen policies that most benefit the one-earner family, Sweden has chosen those that most benefit the two-earner family. Families in which the father works part-time are rare in Germany, unlike in the Netherlands. A study of Swedish fathers of five year olds showed that 60% of them had made some adjustment in their work situation in order to accommodate to having a family. But in Germany men are largely unaffected: it is women who adjust.

The German government recently started to do something to make it easier for women to work part-time, but the consequences of working part-time after childbirth have been found to vary from country to country. In the UK most part-time jobs are low level, so women accept these. In Sweden on the other hand parents have their jobs protected, and part-time jobs have the same protection as full-time ones. In general, countries that have low levels of part-time work for women also have low fertility.

The childcare context

In 2002 in Germany the level of provision of childcare places for children between three and six years old was almost 90%, which is good in European

14 Deutsches Institut für Wirtschaftsforschung (DIW), www.diw.de



terms. However Germany is near the bottom of the league when it comes to children below the age of three who attend childcare facilities.

A better work-life balance is a foundation stone for tackling poverty and social exclusion among families with children, and particularly among single parents. Establishing a demand-based and reliable range of childcare facilities should be at the heart of every family policy. By strengthening early education, better childcare facilities build equal opportunities, especially for immigrant and ethnic minority children.

The main elements of the policy are the co-operation group, the service bureau and the career and family audit.

In companies, efforts need to be made to get work and family issues onto the agendas, and to make them a permanent part of personnel policy. This effort is beneficial for both company and employees. The vast majority of both employees and management in companies that had adopted family friendly measures found that they made it easier for them to cope with their work, and improved the workplace atmosphere. This makes the company a more attractive place to work, and improves its public image. It also produces economic benefits: motivated and contented employees are the most important resource the economy depends on in order to flourish.

The award for the most family friendly companies, and research into the economic effect of family friendly measures address the concerns of employers. Research into what is expected from a family friendly enterprise addresses the concerns of employees. A professional scientific research project accompanies the whole campaign. It will carry out a qualitative and quantitative evaluation. It systematically records all local alliances and a database has been available since mid-2004. This permits searches on various criteria, such as actors involved, field of action, target groups, which allow alliances to collaborate.

Germany's birth-rate and the paid employment of mothers are well below the European average, while the opposite is true in Scandinavia. The differences do not depend only on monetary transfers, but on structural factors. All European countries emphasise the issue of the 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 was 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.

The success of the French model depends on tax incentives, especially for families with more than two children. France has 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.

The European context

At the Nice summit in December 2000, four common goals were set out in the field of social inclusion: to facilitate participation in employment; to provide access by all to rights good and services; to prevent exclusion and to help the most vulnerable; and to mobilise all relevant bodies. German policy alliance for the family policy is coherent with this.

Discussion

Legislation versus corporate social responsibility: *Johannes Pflegerl:* It is not easy to persuade companies to take this kind of social responsibility – even if it is good for them. So how can companies be persuaded to see that it is in their own interest? Is providing evidence of economic benefits the only way?

Ute Klammer: Studies such as the Prognos one are the best way to convince companies. The problem is how to convince them to take responsibility in cases where it is not in their interest! Some bigger companies have become conscious of the future problem of obtaining qualified labour, and so are taking an interest in the work and family life and the life-long learning of their women employees. But how about all the smaller companies that do not have the same interests? And how about all the other groups of employees who are not so attractive –



the flexible peripheral workforce? It is doubtful that we can persuade companies to take responsibility for them.

If companies do more than what is required to make a profit, they lose competitiveness. So some kind of legal obligation would be the better way.

Johannes Pfleger: Legislation will not work. We need to build a win-win situation, as the Prognos study does. We don't yet have the economic instruments to see the economic benefits of a contented workforce.

Tilmann Knittel: If we try to convince companies, we have to separate the social and economic arguments. There are lots of economic reasons why reconciliation pays off for the company and for society too, but it is difficult to argue these if you then include other social groups too. For enterprises, equal opportunities are not a goal, but a strategy to achieve better business success.

Ute Klammer: How then do we improve labour market opportunities for those who are less well educated? The Prognos study is extremely helpful, but it only looked at ten companies. If you agree that companies should only do what benefits them, then integration will be left to the state. And if the state did not intervene in the labour market, then the country would be a very different place, and a worse one. If you argue for deregulation, then better family friendliness will remain the preserve of a few large companies.

Carlotta Köster-Brons: Employers will not take responsibility for resolving structural failings, or for providing the childcare that local authorities have not provided. Nor is ensuring that partners share the housework part of an employer's responsibility. So in short coercion will not help.

Collective agreements: *Carlotta Köster-Brons:* The Family Affairs Ministry has commissioned a study from the Institute of the German Economy¹⁵ on collective agreements that contain family friendly and equal opportunity measures, which is to be published next spring. This is a very interesting approach, because unlike a law, a collective agreement can take account of conditions in each industry or company. Of course the German system of collective bargaining cannot easily be transferred to other countries, but collective agreements might be a useful tool to promote family friendly measures.

15 Institut der Deutschen Wirtschaft Köln, www.iwkoeln.de



Ute Klammer: As regards collective agreements, we need to find a new balance between different levels of regulation. As an example the 1996 “partial retirement” scheme aimed to define in law a framework of minimum standards, then hand it over to the social partners to negotiate the details firm by firm, or even individual by individual. Why could this model not be followed in the case of family friendly workplaces? My hypothesis is that partial retirement is primarily of benefit to men (it is highly subsidised). by contrast reconciliation is in women’s interest, so the lobby is not strong enough.

Zsuzsa Kormosné Debreceni: Trade unions can be very important actors, as they can persuade employers to change the collective agreements.

The 1 1/2 breadwinner model could help address both the demographic and the labour market participation issues.

Other actors: *Jürgen Schumacher:* Would you agree that employers are not the only actors that need to be involved? Churches and public authorities of various types are also important and are not always keen to take up this issue. The local alliances need to get the whole range of relevant actors on board.

Gender: *Ruth Farrugia:* As it is mainly women who take on the caring role, it is mainly women who take up family friendly measures, and employers tend to look negatively on people who take up these measures. Reconciling family and work is a broader gender problem.

Children: *Jürgen Schumacher:* It would be interesting to look more explicitly at the quality of life and exclusion phenomena related to children. We don’t have indicators for this. *Ute Klammer:* There will be a conference in Oxford early in 2005 on the interests of children in work-life balance, which will no doubt result in a book.

Birthrate: *Frank Mifsud:* Is the catastrophic drop in the birthrate a concern of employers? *Jürgen Schumacher:* You are right that the declining birthrate is one of the reasons for evolution in Germany’s family policy, but it is not the reason we are studying it in this peer review. Here, we are looking at the effects of this policy on social exclusion.

Ute Klammer: One important concern is the sustainability of the existing social security system. The German system, and in particular the pension system,



operates in a pay-as-you-go basis, so a declining birthrate decreases the base of contributors. As employers and employees pay half the cost each, they are in the same boat. Employers as well as employees have an interest in increasing immigration or the birthrate, to hold these social security costs down.

Tatjana Marinell: In Sweden in the 90s, economic growth declined, and the population were asked whether they would sacrifice family transfers in order to keep incomes up. They preferred to cut incomes rather than family transfers. This shows the importance of having popular support as well as business support.

Elderly care: *Thalia Nicolaou:* Demographic change suggests that apart from childcare, elderly care will become increasingly important.

Roland Simon: Germany defines a 'family' as a place where children live, but no country can afford to forget elderly people.

Jürgen Schumacher: If it is a normal family obligation in your system to care for elderly people, then it is part of this issue. Societies differ greatly on this point, and it is definitely an issue we should discuss.

Ute Klammer: It was not covered in the presentations because it does not fall within the remit of the Alliance for the Family. But it is a live issue in Germany. In the mid-90s, individual care insurance was introduced as the fifth branch of public social insurance. Germany is one of the few countries in Europe that have such insurance. The elderly person receives a (quite low) benefit and may pass it on to her/his family carer – the carer's pension contributions are paid. The scheme will also pay part of care home costs. As care home costs are high, there will be increasing pressure to go back more to domestic care. This of course has a gender dimension. Apart from the issue of how to finance elderly care, we are also discussing the question of quality. A lot of carers are badly educated, and have very little time to devote to each resident.

Kadri Lühiste: Elderly care may also cause stigmatisation and social exclusion. In Estonia, families who put elderly people in care homes are often stigmatised, as it is thought to be a family responsibility. The problem is growing worse as people are more geographically mobile.



4. Presentation of the study on the microeconomic effects of family friendly measures

Tilmann Knittel, Prognos AG, Basel

Working conditions in companies are crucial to the reconciliation of work and family life. The study 'Microeconomic effects of family friendly measures'¹⁶ was carried out by Prognos AG of Basel, and cofinanced by the Federal Ministry and European Social Fund. The study started in 2001 and it quickly became apparent that all the human resource managers are convinced that family friendly measures have benefits to both sides and are economically viable.

The second point is that it is crucial to stress economic arguments for a successful implementation of family friendly measures. On the one hand these arguments are helpful in convincing top management – CEOs and the heads of human resource departments – but that is usually not the biggest problem, because top managers have a strategic vision, know about demographic change, and are in principle open to family friendly policies. On the other hand it is necessary to convince managers at all levels of the viability of the strategy, because family friendliness is only really successful if it affects the company's culture. It is the lower level managers that are the problem, because they do not see the sense of family friendly policies.

The study focused on trying to measure hard effects, drawn from robust human resources data, but this does not mean that soft effects like motivation and competitiveness are not also important – indeed human resource managers think they are the main benefit.

The **sample** was ten firms ranging from 140 to 13,000 employees (the largest being the Frankfurt Airport company). The sample firms are large enough to make averages meaningful, yet small enough to be able to identify care giving parents, which is not normally data that firms can extract. The sample contains a good mix of sectors: pharmaceuticals, textiles, optoelectronics, oil, a savings bank, etc. The study examined a wide range of **effects** of family friendly measures, including:

- reduced staff turnover
- more parents come back after parental leave
- shorter absence after parental leave
- improved personnel marketing

16 *Betriebswirtschaftliche Effekte familienfreundlicher Maßnahmen*, www.bmfsfj.de/Kategorien/Publikationen/Publikationen,did=11386.html



The effect on sick leave was not assessed, as this dropped anyway owing to the current bad economic situation. Many other factors were not measured: image, sales, motivation and satisfaction, reduction of stress, increased efficiency, competitiveness. Problems of data quality and confidentiality meant that not all factors were measured for all companies.

The **method** adopted was to calculate:

- the savings potential (the cost of staff turnover etc. that could be avoided)
- the cost of family friendly measures (some, like childcare, are easy to measure, whereas for others, such as flexible work patterns, we had to rely on estimates from human resources managers)
- the effects of family friendly measures

We merged the figures into a model company called 'Familie AG', and used them to compile three scenarios depending on the extent of the impact on the employees:

- optimal (maximum impact)
- real (measured effects)
- basis (no impact)

Reduced staff turnover and better personnel marketing both reduce staff hiring costs, whereas shorter absence after childbirth reduces bridging or reintegration costs.

Some of the assumptions as to the costs are:

- staffing costs vary between €9,500 to hire a low-paid worker and €43,200 to hire a high-paid one
- bridging costs increase with the length of the absence, from €14,000 (6 months) to €17,500 (3 years)
- reintegration (retraining) costs similarly rise from €1,200 to €6,000 after 3 years

Our model company Familie AG adopted a typical package of family friendly measures comprising advisory services, part-time and flexible working times, telecommuting and support for childcare. We were lucky that one of the sample companies, Wintershall AG, introduced the full package in 1998. It achieved the biggest savings from reduced parental leave: remarkably, over five years



this fell from an average of 33 months to 19 months. At the same time the birth-rate among employees of the company doubled. This shows that the family friendly measures did have the desired effect.

Measures and costs

Measure	Cost (€)
Advisory services for parents, staying in contact, re-entry programmes. 1 full time equivalent per year @ €65,000, per 100 parents or per 1,100 employees	81,250
Part-time options, flexibility = time sovereignty: 2 days per case @ €600	10,500
Telecommuting during leave period, max. €6,000 p.a.	30,000
Childcare: €7,800 (kindergarten for 3-6 year-olds) - €15,600 (daycare) p.a. (of which 60% is not covered by state or local authority)	182,300
Total annual costs:	304,050

Savings: The model company, Familie AG has 1,500 employees, 45% of whom are women, and 124 care-giving parents of whom 20 take parental leave each year. Its annual savings would be €379,500 and its costs (as above) €304,050, so its net gain would be €75,450. This is €500 per employee.

Even given our prudent assumptions, the conclusion is that family friendly measures do pay off. Further information is given on our website.¹⁷

But this still is not a decisive argument, as the saving is not big enough on its own to justify the implementation of family friendly measures. Equally, it does show that they are reasonable and there is no reason to postpone them. Given the medium-term demographic trends, the economic benefits can be expected to increase.

We carried out a similar study on skilled craft firms of on average ten people, and also proved an economic benefit in this case.

¹⁷ see www.prognos.com/worklife. Other interesting economic research results are available at www.reformmonitor.org and www.employersforwork-lifebalance.org.uk



5. Work and family audit (*Audit Beruf und Familie*)

5.1 Presentation: Stefan Becker, Hertie Foundation

Despite the economic advantages that the Prognos study demonstrates, we must admit that so far only a tiny minority of German companies have adopted family friendly working conditions. But the number is growing daily. And it is encouraging to see that among the workplaces which adopt family friendly measures are companies that have not thought about this issue at all before. In order to encourage more companies to make this shift, we developed the Work and Family Audit.¹⁸

The process of the audit is to:

- analyse the existing measures that the company has in place to reconcile work and family, and their strengths and weaknesses
- discuss which new measures might be beneficial
- help put these new measures into practice

To support companies in recruiting new staff, and to raise their public image, we award them a certificate. We also network the measures to give the process a further impulse.

No single measure is the answer in itself: opening a workplace nursery does not in itself make a company family friendly. One measure may work best if another is put in place as well. We have itemised 140 measures, which fall into the following categories:

1. working time: flexible working time, leave of absence, time sovereignty of the employee. This is the most important measure
2. organisation: employee participation, teamwork
3. place: 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 promotion for employees with families, positive assessment of patchwork biographies
7. remuneration: pay and in-kind benefits
8. services for families: care
9. measures specific to firms: measures falling outside the above categories

¹⁸ see www.beruf-und-familie.de



To examine one of these categories in detail, the '**services for families**' category includes what is much the most expensive and long-term measure, the factory kindergarten. But it also covers care for under-threes, longer opening hours for care facilities, parent and child rooms (offices where employees can work if they have to bring their child to work), contacts to nannies ('day mothers'), and holiday care, such as the summer camps offered by Adidas not only to employees' children but other children too.

We interpret 'family' broadly, and elderly care is a fast growing area. This is shown by the fact that on average the users of these family services are 48 years old. Services in this area include help to find a place in a care home, help with housework, chauffeur services, and the provision of lunches.

We also want to improve the services that are on offer. We have prepared a catalogue of measures, and for each measure we analyse firstly how **institutionalised** it is: has there been a company agreement? Does this apply to all employees, or only to a specific group? Secondly, we look at the workplace **culture**: do only women use the measure, or do men use it too? Is it supported by, and used by, the managers? This results in two percentage scores. Thus we obtain a very differentiated picture of what is being offered and what is being used. Where measures are little used, this shows opportunities for development.

We have extended the method to the international level in the form of the European Work and Family Audit, and it is now available in Austria, Hungary and the South Tyrol region of Italy. We have also applied it to universities, to promote family friendly conditions for students.

Current developments

An important development is that at the beginning of 2004 two ministers – the Family Affairs Minister Renate Schmidt and the Economics Minister Wolfgang Clement – became patrons of the Audit. This helps to promote the idea. And it is gathering pace: we started this initiative in 1998 with eight very courageous companies, and on the last occasion the certificate was awarded to 30 companies. In 2004 we have 50 contracts, and our target is to have conducted 2000 audits by 2009. We have trained a team of 30 business consultants to carry out the audits, and as the audit is only as good as the auditor, it is important to train them well.



We believe that the audit should remain a voluntary measure, because we want companies to take the idea seriously and make progress with it.

We have an intensive public relations operation, and we are proud that our webpage receives 6,000 visitors per month.

We support a network among the 100 firms that have undertaken the audit, and they meet twice a year to discuss a specific topic. We observe that the culture of the firms is still changing.

The Hertie Foundation has founded a non-profit company (*Beruf und Familie gGmbH*) that will work in three areas: improving the scientific basis through studies and cost-benefit analyses, supporting the audited firms in implementing new measures, and spreading the idea more broadly. As part of the research work, we are trying to develop economic measures that can be applied to small and medium-sized firms.

Impact

Our evaluation shows that the introduction of family friendly measures has a positive impact on sickness in 22% of companies and on fluctuations in 28% of companies. More impressively, 83% of companies report improved employee satisfaction, and 86% better employee motivation. Furthermore 70% achieve a better quality of work, with reduced faults. Half the firms say it has aided staff recruitment and retention, and 89% that it helps the company to acquire qualified management staff.

These results are far-reaching, but in themselves they are not sufficient to convince companies. We therefore base our recommendations on cost-benefit analyses specific to the firm, using a methodology similar to that of the Prognos study. For instance we can say that installing a kindergarten for parents' use in cases of emergency will cost €210,000. However there will be savings of €351,000 from reduced employee absence. The net saving is therefore €141,000.

Some criteria of the Audits' success are:

- vocabulary is important: we talk of "family-aware" (*familienbewusst*) not "family-oriented" or "family friendly" to avoid echoes of marketing language
- the appropriate measures: the point is not to install a large number of measures, but the right ones



- a sustainable process: the measures should be long lasting. We prepare an implementation report each year for three years after the audit
- economic meaningfulness: the measures should contribute to the firm's performance
- involve the whole workforce: not just those with small children. It is important to avoid arousing resentment about the preferential treatment of parents
- link with public services: for instance those offered by the Alliances for the Family

5.2 Discussion

Family awareness: Responding to a question from *Johannes Pflegerl*, *Mr Becker* explained that the distinction between a 'family-aware' policy and an 'employee-aware' one is not rigid, but does exist. Unlike the notion of 'work-life balance', family awareness is not concerned with leisure activities. 'Family' is defined very broadly as having long-term care responsibility for others, including members of reconstituted 'patchwork families' and even neighbours. The idea has a lot to do with employee aware human resource policy, along the lines of the previous German 'Humanisation of Work' (*Humanisierung der Arbeit*) programme.

Award criteria: *Ute Klammer* asked what quality criteria are applied for the award of the certificate of family friendliness, and how many companies fail the test. *Stefan Becker* replied that no grades are awarded, as it is essentially not about installing a large number of measures, but the right measures. Companies are therefore not allowed to 'cherry pick' a measure or two, but are encouraged to assess the whole range of possible measures and make a reasoned choice. Secondly, the awarding body has to be sure that the objectives are realistic, and are actually likely to be in place within three years. However the entry threshold is deliberately set low, and only two of the 100 companies audited failed to be awarded the initial certificate.

The final audit procedure is quite different. We check that the objectives that were set have been implemented, and that further objectives are set as part of an ongoing process. Family friendliness is a process, not a status. After the audit, we carry on interviewing company and employee representatives to find out what has happened in practice. What distinguishes family friendly companies is not having reached a set standard, but that they seriously want to im-



plement their goals and keep setting themselves new objectives. We withdraw the certificate if this is not the case.

Time effects: *Ute Klammer* asked how the study team avoided bias due to changes in the environment over time. *Stefan Becker* replied that the simplest way to carry out this study would have been to compare a family friendly company with a family unfriendly one. However we could not do this, because no firm would have agreed to put themselves up as unfriendly at the start. Alternatively we could have made a very short-term study, or compared companies with parent groups or other companies with similar workforces, and then try to identify the differences between them. In fact we did not really take these effects into account. However we did make plausible assumptions as regards factors such as absenteeism and sick leave, which remained similar over the study period.

We also checked whether statutory provisions had changed, and found that during the study period there were no major modifications that could have affected the results.

Representativeness: We do not feel that the representativeness of the sample is an issue, as the measures are not expensive: for a company with 1,500 people they cost about the same as a Christmas dinner for the workforce! So the point is that family friendliness does pay, even for the small craft firms that we studied separately. The problem is that the companies are not aware of the costs they are incurring through their current family unfriendly policies.

Small companies: *Elisa Zechner:* Is the cost of an audit reasonable for a small firm? In Austria most firms are SMEs, but what size are the firms that have undertaken the audit in Germany? *Stefan Becker:* In Germany, 50% of the audited firms have fewer than 500 workers, which I count as a big success. However none had fewer than 25 employees. I have to admit that this depends on our own marketing policy. I am glad to see that the Family Affairs Ministry has worked with Prognos on a system suitable for the craft sector. The audit as it is currently practiced is difficult to apply to small companies, as it requires closing the business for a day. However there are elements such as the sustainability and reviewability that may be attractive to small companies. It would be crucial to approach them personally – one could not rely on marketing via a website.

Ruth Farrugia: what is the content of the questions that are asked during the certification process? *Stefan Becker:* Small companies cannot use many of the



measures, and that is why we have focused on bigger companies. Germany, and especially east Germany, has a lot of small companies, and maybe we can roll the audit out to them in time.

If we are to do this, we should not adopt criteria that small firms cannot meet. Essentially we expect them to ask:

- what can I do to help my employees?
- how can I apply these measures transparently, not arbitrarily, not just for public relations purposes, not just when times are good?

In co-operation with the Family Affairs Ministry and the Chamber of Industry and Commerce we have published a brochure targeted at small and micro firms, pointing out what the most cost-effective measures are. We will continue to encourage smaller firms to invest in family friendliness.

Some lessons that arose from our work in east Germany may be useful in other countries:

- the family should be defined broadly, so as to take in elderly people as well as children
- the role of men should be addressed specifically
- other actors should be involved (this led to the creation of local alliances)

Trade unions' role is important. We have to recognise that they have been reluctant to get involved – in only three of the 100 companies that have undertaken the audit was it the workers' representatives who contacted us. We investigated the role of works councils, and found that employees who were aware of the issues turned not to the trade union or the works council, but to the company's human resources department.

Cultural change: We have found that we cannot change a company's culture by focusing solely on the top jobs. We have to look at low-level workers as well. The issue of demographic change and the anxiety about recruiting high-level workers and remaining competitive allows us to get our foot in the door, but the agenda of cultural change is broader.

The public sector: *Thalia Nicolaou:* Are public and semi-public bodies using the work and family audit? *Stefan Becker:* In Germany the public sector is more conservative than the private sector, perhaps because employment is already more extensively regulated. However we have reached several federal and state ministries (*Länderministerien*), as well as the *Kreditanstalt für Wiederaufbau* (a



public bank), several church organisations such as Caritas, and we want to go further.

Zsuzsa Kormosné Debreceni: in Hungary, the family friendly award has a public sector category. A problem can arise because the way employees are treated is laid down by regulations. *Stefan Becker:* Whether a firm is family friendly or not depends on local conditions, and this applies to the public sector too. Public authorities can use the audit to test where the boundaries of family friendliness lie.

6. Key issues and questions

Chair: Nina Parra

Following introductions by newly-arrived participants, *Jürgen Schumacher* presented a summary of the issues raised in the first day of the peer review meeting. Several points were then added during discussion.

Work/care arrangements:

- part-time work on demand of employees (time sovereignty), on temporary basis for a couple of years, with job guarantee, risk of leading to gender segregation in the labour market and to exclusion
- flexibility to cover children's holidays & illnesses
- childcare for under-3s and 3-6s, for whole day
- care for 7-14s in afternoons and holidays – after-school care
- elderly care
- need for inclusive definition of care
- support to re-enter labour market after parental leave
- life cycle approach / working time accounts

Family friendly transfer policy:

- tax, especially the matrimonial split
- allowances, sometimes too low

Agreement models on family friendly measures:

- obligatory versus voluntary
- legislation
- legal framework + negotiation by social partners



- local arrangements
- individual arrangements

Alliance process:

- how to involve all relevant actors (different actors in different countries)
- how to get their commitment
- sustainability
- self-help and networking

Audit process:

- small companies: problems of time, data etc.
- government and semi-government employees
- NGOs and churches (traditional family model)

Information and public relations:

- information process
- awareness raising needed
- change cultural climate to family and child friendly society
- combat discrimination against women
- stigmatisation (of women who put parents in care)

7. Local alliances for the family (*Lokale Bündnisse für Familie*)

7.1 Presentation

Ulrike von Keyserlingk, Department for Local Alliances and Engagement for the Family, Federal Ministry of Family Affairs, Senior Citizens, Women and Youth

The Alliance for the Family has no legal basis, but consists of a co-operative network of concerned actors. The purpose of the initiative is to support existing and future local alliances for the family. We have financial support from the federal government till 2006.

The local alliances bring together such local actors as councils, chambers, trade unions, companies, NGOs, churches and clubs. It is not necessary for all members to be active all the time; it is enough if two of them meet and do something to improve the situation for families. The intention is not to set up a talking shop, but to implement concrete initiatives.



Priorities depend on the local conditions, but after one year's experience we can say that almost all problems relate to childcare and the reconciliation of work and family life.

By December 2004 there were 120 local alliances across the country. We started with a very cautious approach, and only expected to have 100 alliances after three years, but it was almost as if people were waiting for us to start. That there are now 120 alliances in 13,000 local authority areas may not seem many, but they cover 16 million people, as some cover multiple authorities or entire districts.

The service bureau that has been set up to support the alliances provides counselling at 230 places, covering 25 million inhabitants. We hope that when the federal support comes to an end after three years, the initiative will have gained momentum and become self-sustaining. It is therefore important that the local alliances become independent and autonomous.

Why is a federal ministry sponsoring local initiatives? At the start, we were asked if we were allowed to operate at local level. Would municipalities accept our intervention? Our response is that it is important to help people where they work and live, and to improve the situation locally. We do not want to impose, but to help people to improve their work through networking, co-ordinating and synergy effects. Everyone benefits from such synergy:

- local economies benefit as locations become attractive to families
- this allays labour shortages
- attracting industry relies on good facilities for children
- family friendly policies also pay off for industry, as the Prognos study shows. We will soon commission another study, on whether networked action by alliances can be expressed in very concrete return-on-investment terms.

We have numerous innovative approaches, things that companies or local authorities could not have done on their own.

The **response** has been good: there has been a big media interest, especially locally but also nationwide. This is not an end in itself, but the media act as multipliers.

The EMNID institute carried out a public opinion survey, which showed that 90% of people agree with local alliances, and 79% expect them to provide



tangible benefits for families. We also asked the opinion of the business community: 88% of businesses thought family friendly approaches were a part of their economic success, and 68% were prepared to help actively as part of the alliances.

The federal government finances the service bureau, with 50% provided by the European Social Fund. We would like the initiative to continue beyond 2006 and are looking for strategic partners who might support it.

7.2 Presentation of the service bureau supporting local alliances for the family

Jan Schröder, Service Bureau for Local Alliances for the Family¹⁹ (*Servicebüro Lokale Bündnisse für Familie, JSB GmbH*)

The map of Germany shows that the local alliances are spread out quite widely across the country, but with clusters in Baden-Württemberg (round Stuttgart) and in Nordrhein-Westfalen. However there are very few in the new German states.

- In the sparsely populated area of *Leer* in East Friesland, a consortium of 120 local firms has started a family service. It trains parents who want to return to work after parental leave – something which a small firm would find it impossible to do. It is funded by the local authorities and the ESF.
- In *Eschborn*, near Frankfurt, where Proctor and Gamble is a major employer, commuting workers faced difficulties finding childcare places that opened before 9 a.m. or after 4 p.m. The alliance has therefore launched a day-care service, provided by other parents for specific hours, and accessed via the internet. The churches are also involved. The scheme was financed using local money and also funds from the programme on reconciling work and family.
- In *Jena*, home of optical firm Jenoptik, workers have moved in from western Germany, and there are many students who tend to work unusual hours. Jenoptik helped set up a childcare service with very flexible hours.
- In the *Rheinland*, cities are now co-operating so that the city in which you live will contribute to the cost of childcare bought in a different city.
- *Halle* in Sachsen-Anhalt is suffering emigration. The town had a supply of empty flats, and realised that it could offer flats with child-friendly features. It used family friendliness as a way of making housing more attractive.

19 see www.lokale-buendnisse-fuer-familie.de



- In *Herten* on the Ruhr, the alliance focused on offering education to migrants who had a bad command of German.
- Finally in *Augsburg* there is a “godparent” service, in which older people look after children for part of the day

Setting up a local alliance

What is striking is that the alliances have developed all sorts of different offers, which have all met a need. We are concerned that they should become sustainable, so that they survive when we pull out.

1. **The start-up package:** the idea of setting up a local alliance often arouses a lot of interest from many actors, and the job of a counsellor is to work with the local people to mediate between different interests, decide which needs can realistically be met and to focus on results. As people have such different approaches, our counsellor is there to make sure something concrete happens. It might be something as simple as opening the nursery at 8 a.m. rather than 10 a.m. Or by contrast in a city like Cologne, the job might involve talking to various actors – the major, the bishop, the craft chamber – to stabilise the group, and holding one or two meetings. Or organising a family fair to promote the idea.
2. **Development consultancy:** energy can flag after a year or two, so we send an adviser to redefine objectives or whatever, through a half-day workshop.
3. **Hotline support:** we have a person responsible for each alliance, and these consultants are available to offer advice over the telephone.
4. **Expert referral:** we help only with the process of setting up an alliance, not with the content of its activities. But we do maintain a list of experts to whom we refer enquiries.

We also promote the idea of Local Alliances for the Family more broadly, by organising public relations activities, workshops and networking platforms. The alliances have a lot of know-how that they can share with each other.

We offer PR workshops to help alliances to talk to the media – a radio station is helping with this – as well as making manuals and checklists available on the internet.

What have the **success factors** been? First, the time is ripe: some people are saying that we already have a labour shortage, and companies have started to



realise that family policy matters to them. We also have a political consensus and ministerial patronage. We have a strictly neutral service bureau. We do not teach or patronise, we serve: it is the actors who choose what they do.

7.3 Discussion

Replying to a question from *Jürgen Schumacher*, *Ulrike von Kaiserlingk* explained that the initiative started with a low budget which was increased as the idea took off to € 8 million over its whole lifetime, split evenly between the federal ministry and the ESF. Special events and workshops attract additional funding.

Johannes Pfliegerl and *Eleni Loizou* asked about the bureau's staff. *Jan Schröder*: We have around 15 staff, not all of whom work full-time. They are of three types: experienced process consultants (coming from business or NGOs), public relations experts and event organisers. We have no psychologists, sociologists or pedagogists, as it is not our job to offer counselling on family issues, but simply to bring the partners together.

As regards **local organisation**, we advise alliances to site their co-ordination function away from the local authority office, to avoid paralysis around election time. One very good model is to have a pair of co-ordinators, one from business and one from the local authority, however in Cologne the office has a staff of seven.

Local financing is a matter of accessing many different resources. It is often easiest to start with the idea then find the money and resources as you go along.

Ruth Farrugia asked how did the first alliance start, and how did it snowball? *Jan Schröder*: Nürnberg was the first visible alliance. Others, like the one in Leer, grew up invisibly. When the initiative was started, there were 20 or 30 such invisible alliances. We found out about them through personal contacts we had through our previous work as local counsellors. In January 2004 we organised a national press conference, and in May we held the first nationwide meeting – at that time there were around 35 alliances. The idea is spreading, through the chambers of trade and industry and other federations and our media work. The 230 existing alliances are only the nucleus of the snowball that is starting to roll.



Hugues Feltesse asked a series of questions on the voice of families, training, monitoring, evaluation, capitalisation and networking support. *Jan Schröder* answered that the alliances are open to families, and some even have it as their objective to make the **voice of families** heard – for instance the alliance in the *Land* of Thüringen has set up its own co-ordination bureau to speak on behalf of families.

Training is organised for the partners and co-ordinators of alliances. We offer specific public relations workshops, but otherwise we are on new ground. We organise regional or national workshops at which experience is exchanged, but not training as such. In the workshops, we try to address the needs that we identify in the run-up to the event. We assume that these needs will continually evolve. At the moment we have many new alliances, but next year the demand will probably be very different. We try to start at the local level, because that is where the know-how is.

Our **monitoring** is not theoretically based on indicators, but is practice-based and works by pooling experience and identifying striking features. One of the issues we have identified is that we are moving towards bigger and bigger launch events involving hundreds of people, and maybe need to think about separating promotional from organisational activities.

We are building a database of the alliances, and in the coming year the federal government will commission an **evaluation** study that covers the economic benefits, policy impact and so on.

We organise national **meetings** of the alliances twice a year, and over 80 alliances attended the last one, which celebrated the founding of the hundredth alliance. We also organise annual regional meetings.

Johannes Pfliegerl commented that Austria is very interested in the idea of the alliances. As regards **governance**, he asked how alliances could be sure they tackle the real interests of families, rather than those of employers?

Jan Schröder answered that as the alliances are set up locally to solve practical problems, they will simply disappear if they do not meet real needs. They are very solution-oriented. But it is not their job to define families' needs. No alliance could cover every need of families. For instance the Euskirchen alliance says it wants "need oriented" childcare for under-threes. Only when the craft



chamber comes in and starts asking questions like where the care will be offered, will the need become clear.

As the number of alliances grows, we will **specialise** and **regionalise**. At the moment we are specialising the task of event management. Should we start a regional office in Austria?

Kadri Lühiste: how active have fathers been in this initiative? How much do alliances taken on the job of generating change at the family level, rather than the institutional one? *Jan Schröder:* First, we can observe an increasing number of men in meetings – so some change is under way. Secondly, some alliances, such as the one in Frankfurt, have the reconciliation of work and family life by fathers as an explicit issue.

Ute Klammer: how far are companies involved, and what is their role? Are they active participants, or just beneficiaries in the sense that they want access to skilled workers? *Jan Schröder:* About 60% of alliances (and 100% of new ones) have companies or the chamber of trade and industry (*Industrie- and Handelskammer, IHK*) playing an active role. Young managers and company owners (under 40 years old) are involved in many alliances for their own interests. They learn from and share experience with other firms.

Thalia Nicolaou: to ask a Biblical question, what was there before this? *Ulrike von Keyserlingk:* Some municipalities and companies were always active. What is new is their co-operation and the new solutions that arise. Municipalities on their own have neither the money nor the skills that are needed. On the other hand companies have recognised that they have a role and have something to gain. Alliances have shown that money is not everything: the example of Hanau has shown that simple co-ordination can achieve a lot: for instance making sure that the nurseries and public offices are open at convenient times, and that the buses run when they are needed.

Jan Schröder added that alliances certainly must not claim to have invented family friendly measures. What they are doing is helping the various pillars of society – employers, trade unions, welfare organisations, councils etc. – to collaborate in a way that is rare except in small communities.

Jürgen Schumacher asked whether it might be possible to organise traineeships at the service bureau as a transfer mechanism to other countries, and this will be investigated.



Nina Parra asked how the sustainability of an alliance could be ensured. *Ulrike von Keyserlingk* pointed to the importance of strategic partners, while *Jan Schröder* felt that the most important factor in sustainability is the attitude of the actors involved. For example the alliances in Hessen became dependent on outside advisers, and have now collapsed. However *Ute Klammer* felt that all networks need some co-ordination, so it would be a good idea to think how a minimum structure can be continued after 2006.

7.4 Feedback from peer countries

Austria

Johannes Pfliegerl: Austria is very interested in the Local Alliances for the Family. The discussion is over how to promote the idea at the political level, not just at the administrative one. Austria is ripe for this transfer because it has similar structures to those in Germany, including the Audit of Family and Child Friendly Communities (*Audit Familien- und Kinderfreundliche Gemeinde*) and many local authorities are interested. Alliances will help to bring actors together. *Elisa Zechner* echoed this view, and said that people in Austria are much more aware now of the need to co-operate. She trusts that they will find open ears in authority.

Cyprus

Eleni Loizou: Cyprus is keen on transferring the Work and Family Audit, as adjusted for use with small companies and with semi-governmental and governmental organisations. However more analysis may be needed. As for the Alliances for the Family, these seem to be too superficial a solution. It is not sufficient to provide more childcare: what is needed is good quality childcare. We need to go deeper into the nature of the means and how we implement them.

Thalia Nicolaou: I am proud to say we already have local alliances for the family, and have had them since the rapid social change that took place 25 years ago. Every village has a social worker who deals with the family needs. The government supports half the cost of 50 Community Welfare Councils, which work under a legally established umbrella body, the Pancyprian Welfare Council.²⁰ In small communities employers might be members, but it must be re-

²⁰ see www.pwc.com.cy/Profile.htm



membered that Cyprus has very few big firms, only really the banks and the airport. What is needed is for their role to be updated and made more scientific.²¹

Estonia

Kadri Lühiste: The German experience is useful, and the Local Alliances for the Family are the more relevant of the two experiences. 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 Work and Family Audit could also be transferred. It has been good to learn that there are successful examples, which enable one to answer tricky questions. A relevant issue here is that the social partners are weak – only 12% of employees are members of a trade union.

Kati Karelson: The most useful piece of transfer would be to introduce the Work and Family Audit, as we lack such methods. The alliances could also be transferred, but Estonia has 250 local municipalities for a population of 1.3 million, so local authorities are very small. We would need regional reform. However we might have some institutional support through the 'local community movement', which promotes local entrepreneurship: these might be a basis for alliances.

In urban areas, firms are small so this makes reconciliation difficult. There is also an ethnic issue: among non-Estonian population, the male breadwinner model is commoner, and women tend to stay inactive for longer. The audit would need to promote the role of fathers and monitor effects on children.

Hungary

Zsuzsa Kormosné Debreceni: We have the seed of Local Alliances for the Family, as local authorities serving populations of over 2,000 have to set up 'social round tables' which could be their basis. Most necessary services are in place, and the main issue is the number of nurseries – a lot were closed after the political change. The task is to bring the elements together into one system.

²¹ Further information can be found in the 2002 annual report at www.mlsi.gov.cy/sws



One problem is that local authorities have no spare resources to do this, and another is that in some villages the government is the only employer. The first step would be to pilot the idea.

Carmen Svastics admires the audit system, which seems so democratic: people know what they need and assume that their voices will be heard. This system presumes that there is a democratic way of dealing with different opinions even in a strong workplace hierarchy and that people are not afraid of speaking their minds. Although there are positive examples, if it is the position that defines a person and not his/her skills, talents and expertise it will be difficult to bring people of different ranks together to have a common understanding and define common goals. The picture of a CEO sitting down with the cleaning lady or a simple factory worker is a somewhat progressive idea.

Malta

Frank Mifsud finds it interesting that the alliances started through personal contact, which is a method that would work well in Malta. The practical non-academic approach, focusing on a 'to do' list rather than discussions of principle, is very positive. One thing that is clear is that the success of the alliances very much depends on the willingness of employers, so you have to work with them. Trade unions have not been discussed much, and they should become more involved. Involving small companies also has to be addressed.

Ruth Farrugia supported Frank Mifsud's proposals but felt that we skimmed some issues. We need to be clearer what sort of care we are talking about. We need to have a way of convincing employers even if they do not show any interest. And it would be interesting to know more about what criteria and measures are used during the audits. Malta has over 200 NGOs, but the idea of co-ordinating their activity in this sector is new.

Slovakia

Katarina Bartonova: The most useful and transferable experience is the Work and Family Audit. A similar scheme operates in Slovakia, but it does not work very well, and the German example has provided useful tips on how to improve it. As for the alliances, the main problem is the weakness of civil society. Family policy is owned by the state.



UNICE

Carlotta Köster-Brons: The employers welcome the ministry's policy, and all three industry federations are very supportive on this issue. The climate for families has changed and is improving, and there is political consensus.

Discussion

Tatjana Marivell reported on the process of an audit implementation she had carried out in South Tyrol, Italy. The first step was to assemble a team of 12 people who adapted the audit to local legal and cultural conditions and to the fact that 90% of firms are SMEs. The audit was then piloted in two companies. They then trained ten auditors in how to deal with the businesses, and are now build a Competence Centre to promote the audit. The whole process takes a long time – but it is important to get all the relevant bodies round table at the start.

Ute Klammer commented that the review has talked about work-life balance, but not all aspects of it. We focused on alliances firstly because they are quite new, and secondly because it is probably a policy field which is more transferable than for example parental leave).

Jan Schröder doubted that the alliances depend on the existence of a strong civil society. Typical behaviour until now has been to wait for the government money to arrive. The Alliances are changing this. The 'activating state' is probably democratically more stable.

8. Transferability

8.1 Opening statement: Tatjana Marinell

Transferability must take into account that there are no absolute answers – every country has to take its own circumstances into account, and determine its own best practices. Transferring the policy measures of Alliances for the Family can help us to develop and modify our practices, but we must be clear about the similarities and differences resulting from the social, economic, cultural and political background. It is critical to take differences into account, and modify the policy process accordingly. Policy is easier to transfer if there are enough similarities.



It is also possible to transfer only certain aspects of a policy measure, taking into account the structural differences between countries. Transfer is not only in one direction: Germany could also benefit from the process: we have already heard that a similar process took place in Cyprus 26 years ago.

It is evident that the challenges have to be seen at the European level, and what is positive about the result so far is the interlinked co-operation and communication between the different actors. This rests on the consensus that the challenges are recognised and in common. So a common declaration, like that on which the alliances are based, could be the first step to a common awareness. The results remain to be seen.

8.2 Conclusions and lessons learned by peer countries

Nina Parra invited peer countries to comment.

Austria

Johannes Pflegerl: Structural conditions are similar, so it makes sense to reflect about a transfer and find out more about organisational matters. However the transfer would depend on obtaining the general commitment of the government, and the process of persuasion needs to be well organised. The Work and Family Audit was similarly transferred and is the process of consolidation. It is a good instrument, but has so far only been adopted by a few firms. The next step is to promote it much more widely.

Elisa Zechner appreciates the pair system of expert plus official for each peer country, which makes the process of transfer feasible, as it has enabled them to discuss the message to be communicated back home. She has found the peer review to be very well worthwhile and has already made plans to meet Jan Schröder to get the transfer under way.

Cyprus

Eleni Loizou sees specific points of every measure being applied in Cyprus, but it all being implemented quite differently to the German way. It still needs a lot of work. We do not have enough information on what our needs are, how our policies are working, or how different policies could work. So an important message to take home is that we need to do more research. *Thalia Nicolaou*



expressed an interest in taking up aspects of the Work and Family Audit. The framework conditions already exist in Cyprus, and there is a tripartite alliance in place – it is just a matter of convincing people.

Estonia

Kadri Lühiste had also found it useful to see what other countries have done, and think what could be transferred. Culture, history, the labour market, time ripeness – are all different. Our first step will be to disseminate the information we got here, to start building a receptive climate. One thing we have learnt is the importance of public relations and media work, and getting the public's attention.

Like Cyprus, we need to prepare more statistics and cost-benefit analyses. As a subject of transfer, she is more confident about the work and family audit than the alliances for the family. A key factor to be taken into account is the different needs of different target groups, for instance highly qualified and unskilled workers, and of different ethnic groups.

Hungary

Zsuzsa Kormosné Debreceni: It was very useful to see where Hungary fits into the spectrum: we have made some progress already because we have developed an audit system – but we now have to get it implemented.

As the only NGO representative present (coming from NOE, the National Association of Large Families, which is the largest in central Europe), I must say that the family NGOs can do a lot. They can take up the issue in bodies on which they are represented, like the Social Council and the Women's Council, and with sympathetic local authority members.

Carmen Svastics: The peer review has provided a good chance to rethink. It has underlined the need to include trade unions and chambers, the need to monitor, and the need to make others aware of the possibilities at hand. It also strengthened the belief that ESF measures should contain measures for firms as well as for municipalities.

Finally, I was strengthened in my belief that there is no substitute for convincing decision-makers that achieving a better work-life balance is a win-win situ-



ation, from which everyone gains. Gender equality is very clearly related to work-life balance – reconciliation can only work in a marriage of men and women as equals.

Malta

Frank Mifsud: We have learnt many lessons and gained a lot from this peer review. The first key lesson is that a very strong, competent service bureau is needed to co-ordinate matters and facilitate the development of services at local level. It needs to take an innovative approach, and act as a neutral outside catalyst. The second point is the importance of presenting information to stakeholders in a convincing manner, backed up by good examples.

We recognise that men need to take on more responsibility for the family and that more childcare needs to be provided. The government plans to launch a subsidy scheme to encourage both employers and employees to increase childcare provision. What might be a good idea is to work concurrently towards creating alliances. We still need to find the best way to approach small companies. Some of the services are already in place, but what we lack is a co-ordinating body. The example of the service bureau is very enlightening and we plan to adopt several aspects of it.

Ruth Farrugia: The meeting format and the pair system have allowed the Maltese delegates to take on new ideas and discuss them as well, which is very beneficial. We are going to work on the co-ordination body. As regards needs identification, we have started a project, which will report in May 2005, to measure the exact needs of the population in one small town: how many children need after-school care, how many people are caring for the elderly, and so on. This will help us to listen to what people say they need, rather than try to second guess them and tell them what they need.

Slovakia

Katarina Bartonova: The peer review has provided information and networking that will be useful in Slovakia. As regards transferability the issue of timing is important; the work and family audit is the most appropriate tool to be transferred, and we hope to start with it in the near future.



9. Closing statement

Hugues Feltesse, European Commission

Firstly, let me add the Commission's thanks to those of the other participants for the warm welcome, the efficient organisation and the high level of presentations that we have benefited from. We are unanimous!

The peer review has not been an easy task, because reconciliation between work and family life is a very broad topic, which can be addressed by many Commission policies – not only that on social inclusion but also employment and economic policy.

I was glad to see that the approach taken is clearly on the model of the social inclusion process: it is bottom-up, integrated, multidimensional and recognises the interdependency of different levels. We have to follow up at each level:

As regards employment policy, most key issues are already dealt with in the National Action Plans for Employment:

- time sovereignty
- how to manage part-time work
- parental leave (long and short, for holidays and illnesses)
- the life cycle approach is a very interesting idea on which it will certainly be interesting to develop mutual learning.

We see clearly the need to mainstream a family friendly approach. We need to develop "family friendliness proofing" on the lines of Ireland's "poverty proofing". This consists of analysing each policy's impact on poverty, and designing measures to make sure the impact is positive. Family friendliness needs to be mainstreamed and evaluated in every policy and especially employment policy. We also talked about care policy: we stressed the need for quality standards, the need for care to be available at the times parents are working, and we also mentioned school hours: all need to be examined in the light of family friendliness and making it possible for parents to work.

These issues will be followed up at the next peer review meeting, in Italy in February 2005, whose topic is preventing the social exclusion of families.



We also have to address policies on taxation, benefits and allowances: in the next round of NAPs/incl. we shall need to look not just at budgets for fighting poverty and social exclusion, but whether tax policies are sufficiently family friendly too.

The third key dimension of the good practice is the Alliance model, and the key lessons need to be capitalised along with those of the local mobilisation models that were evaluated at the peer reviews in Finland and Sweden. We will try to draw common lessons from these three seminars and the one that will take place in Portugal next year on the mobilisation of local actors. All four concern how to get different actors to speak together, to think together and eventually work together.

The German case concerns a new type of agreement which brings in a new type of partner: the business community. Generally we have municipalities, social service providers and NGOs in partnership, but companies are noticeable by their absence. It will be very interesting to add this new dimension.

We can leave open questions such as: do we legislate? How do we strengthen the sustainability of the agreements? Do we need rights for people?

What is particularly interesting about the German experience is that we have not only the goodwill of the business community but also the tool of the central service bureau and the methodology of the work and family audit for other countries to learn from.

We have also to take the need to create public awareness into account. Some key problems were raised:

- gender balance
- equal opportunity – a goal which, significantly, is now part of the title of the Directorate General
- discrimination – a subject on which the Commission is doing important work, including on labour market discrimination against women with children

We have to think how we can raise public awareness on these issues. We cannot imagine an inclusive society that does not have a family friendly approach.



Future Commission activities

The call has now been published for a new strand of transnational projects, and it closes in mid-February. It might be used to link some good practices together. In April we will publish a call to hold European conferences or twinning schemes, which might be interesting. Early in 2005 the Commission expects to publish a communication on the social activation of minimum income recipients. And, last but not least, 2006 will see a new generation of National Action Plans, informed by the work of these peer reviews. The reports from these reviews are already published on the web; from now on we shall also try to aggregate them into thematic dossiers setting out the key lessons to help Member States prepare their NAPs/incl. The peer review results may also appear on the agenda of the Social Inclusion Committee for 2005.

Nina Parra and *Jürgen Schumacher* added their thanks to the peer review organisers, participants, interpreters and technician for having contributed to a lively and fruitful discussion, and one which, it is to be hoped, achieved the right work-life balance.