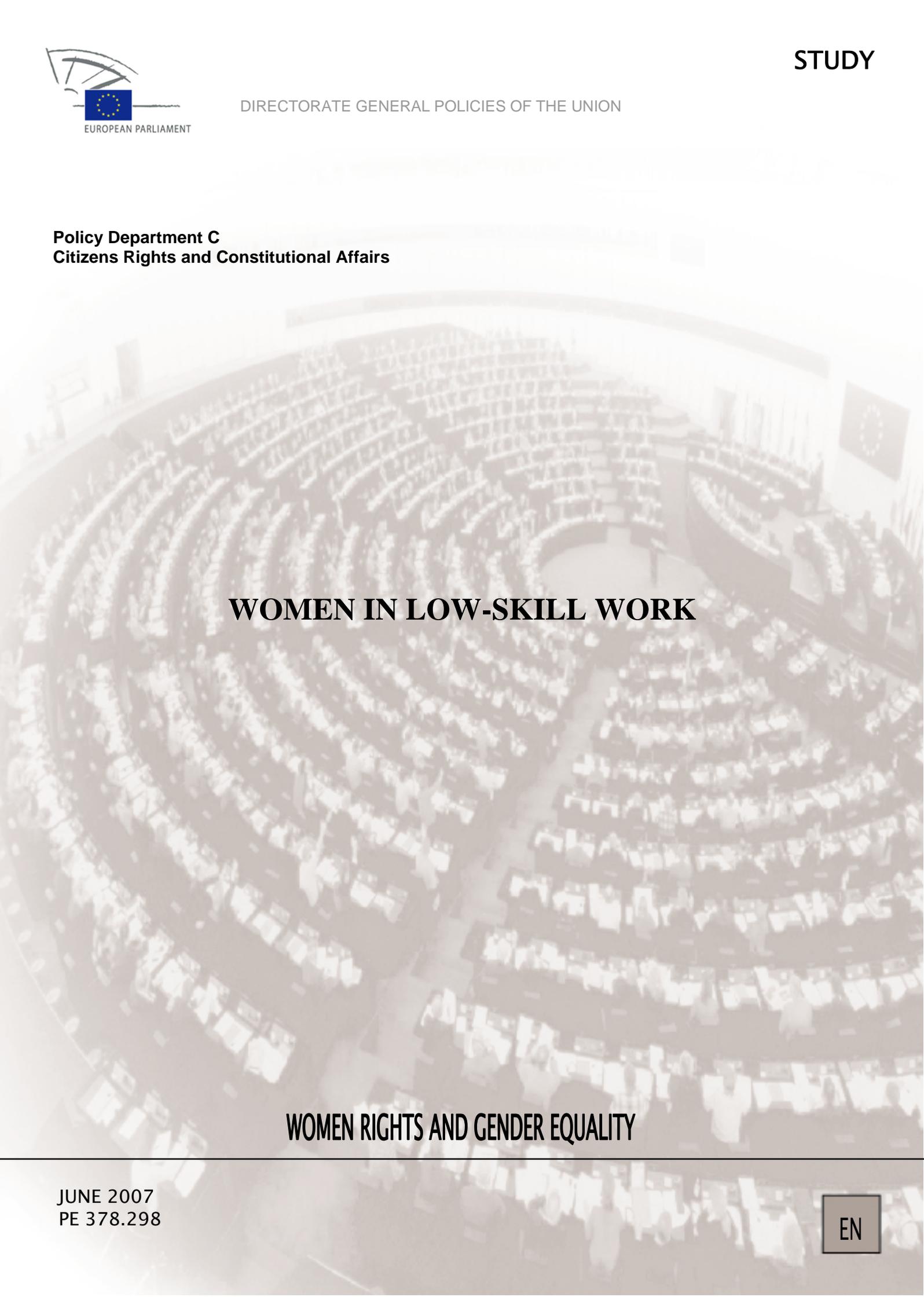


Policy Department C
Citizens Rights and Constitutional Affairs



WOMEN IN LOW-SKILL WORK

WOMEN RIGHTS AND GENDER EQUALITY



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**Directorate-General Internal Policies
Policy Department C
Citizens Rights and Constitutional Affairs**

WOMEN IN LOW-SKILL WORK

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Women in low-skill work

Final Report

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Executive Summary

The objectives of the study “Women in low-skill work” commissioned by the European Parliament (Directorate-General Internal Policies of the Union – Directorate C – Citizens’ rights and Constitutional Affairs) were threefold:

- to provide a description as well as a preliminary quantified analysis of the occupational cluster of low-skill work from a gender perspective;
- to present best practices in the various national contexts and sectors that have helped to increase the positive perception of low-skill work, as well as its social and economic recognition (i.e. job quality);
- to develop guidelines and recommendations for improving the social recognition and professional status of low-skill work and low-skilled workers.

The study focuses on three countries: the Czech Republic, Germany and the United Kingdom. This country sample is limited but nevertheless represents a broad range of diverging institutional settings and patterns of female employment. There are significant differences in the level and structure of welfare state services and benefits, wage distribution and levels, the volume and share of service employment and, last not least, female employment rates.

In the following, the issues of the five parts of the study and the main results are briefly summarized:

In *part 1*, we start with an overview of **trends in female labour market participation** in the three countries under study, the role of part-time work, childcare responsibilities and the institutional framework.

- It comes out that in two of the three countries under investigation here (Germany and the United Kingdom), the female participation rate is already at or even above the target of 60% to be achieved by 2010. The exception is the Czech Republic, where the female participation rate has actually been declining for several years.
- However, participation rates for low-skill women, particularly those with children, are considerably lower in all the countries. This suggests that particular attention should be paid to this group in any policy aimed at raising female participation rates.
- There are considerable differences between the three countries in the share of part-time employment. Whereas the Czech Republic has an extremely low part-time rate by international standards, Germany and the UK are considerably above the EU average.
- The extent and structure of women’s economic activity are particularly influenced by the institutional environment in each country – i.e. the tax system and the regulation of part-time work, the childcare facilities and the patterns of parental leave.

In *part 2*, we shed some light on the question of **which occupations and sectors account for the majority of job growth for women**. More specifically, we assess here the extent to which the occupations and industries selected for our study are characterised by job growth and provide job opportunities for low-skilled women.

- The analysis of employment trends based on the European Labour Force Survey shows that regardless of different national levels of low-skill employment and of how strong employment growth (or decline) within a country is, employment in occupations with lower skill levels (relative to other occupations within the country) is generally increasing less or decreasing more strongly than employment in the other skill segments.
- Even in the UK, the only country in our sample with fairly strong employment growth in the low-skill segment between 2000 and 2005, that growth has not necessarily been accompanied by increasing job opportunities for low-skilled employees. Indeed, the contrary is the case, since there have actually been employment losses for the low-skilled and gains for higher skilled workers, even in the low-skill job segment.
- For the target occupations, the evolution of employment for the low-skilled in general and for low-skilled women in particular differs from country to country. While Germany has seen employment gains for the low-skilled in most target occupations (primarily due to the strong increase in part-time employment, however), the picture is completely different for the Czech Republic and the UK.
- Taking the increases in women's employment in the target occupations as a whole, the trend is more positive. In most of the occupations, women's employment grew, with some exceptions in the Czech Republic and the UK. However, this employment growth has followed different patterns. In Germany, it has been accompanied by a marked increase in part-time jobs, while in the UK the part-time share has declined, although from a relatively high level. In the Czech Republic, the part-time share has remained stable in most cases, although at a very low level by international standards.
- Thus we can state that women have increased their share of employment in low-skill occupations but that these gains are frequently attributable largely to the growth in part-time work and have benefited women with low levels of formal qualifications to only a limited extent. This supports our argument that it is not sufficient simply to equate low-skill work with employment opportunities for low-skilled women.

In *part 3*, the focus is on **job quality in low-skill occupations**. The three national reviews deal with on key dimensions of job quality – namely remuneration, worker voice, vocational training and skill development and working time flexibility respectively work-life balance. Each national portrait draws on employment data – both national sources and our own calculations using European Labour Force Survey data – and assesses the relevance of particular institutions impacting on job quality (e.g. minimum wages, systems of vocational

training and working time regulation). All in all, the three country reviews make it clear that low-skill jobs, which tend to be female-dominated, frequently go hand in hand with low pay, unfavourable working and employment conditions and limited prospects for career development (due also to limited opportunities for further vocational training). Women's participation in the labour market on an equal basis with men is further complicated by the fact that, in many cases, they are solely or at least predominantly responsible for the reconciliation of paid work and family life.

In *part 4*, we identify **potential starting points for the drive to increase the social recognition of low-skill work and improve job quality in female low-skill occupations** and present a total of **13 examples of good practice** from the three countries. They are presented along the four core aspects of job quality used in part 3 (remuneration, industrial relations, vocational training and skill development, working time flexibility and work-life balance) and the two additional dimensions of social recognition and labour market policies. One general impression gained from our interviews is that, although there are positive initiatives and measures in many areas, the chances of really achieving lasting improvements to job quality and social recognition for women in low-skill work are generally assessed as being fairly low. The real value of the best practice examples is that they highlight possibilities for action at various levels that have also been tested in practice. Nevertheless, most of them represent limited attempts to remedy problems and/or shortcomings at one location or another. Most of the initiatives are intended primarily to facilitate and not to challenge women's dual role, which would also require a change in men's behaviour.

In *part 5*, finally, we draw on the results of the analysis in order to formulate some **guidelines and recommendations** for decision makers in the political and other spheres. As we see it the first step towards improving the lot of women in low-skill work must be to raise awareness of the problems of low pay and poor working and employment conditions in low-skill occupations. This applies particularly to stakeholders but also to the population as a whole. Increased awareness is an essential precondition for the development of measures and initiatives intended to bring about real improvements on a broad basis. The following points of attack appear to be particularly important from a gender perspective:

- *remuneration*: key levers for reducing the gender pay gap are to be found in higher valuation of typically female occupations, the elimination of discrimination against part-timers and the establishment of minimum standards (introduction of or increase in statutory minimum wages);
- *industrial relations*: trade unions and works councils, as well as employers, have a key role to play in improving the pay and working conditions of low-skilled women at establishment level. This concerns not only the higher valuation of typically female occupations but also agreements on further training, working-time arrangements and improvements to the work-life balance for both men and women;

- *vocational training and skill development*: good training is no guarantee of higher job quality but a low level of skill and qualification brings with it a particularly high risk of low pay and poor working and employment conditions. Consequently, access to education and training is of particular importance. This applies all the more since the greatest employment growth has actually been recorded in more highly skilled occupations;
- *working-time flexibility and work-life balance*: in this area, the key levers are the rights of employees (both men and women) to organise both the length and scheduling of their working hours according to their needs, the provision of childcare facilities and, increasingly in the future, of support and care for the elderly. So long as part-time work remains a female-dominated sphere, strategies to extend it will continue to be highly ambivalent from a gender perspective;
- *social recognition*: if the recognition of low-skill work is to be improved, then an improvement in job quality (including pay) is essential. This is closely linked to the valuation of female-dominated occupations. In this regard, furthermore, we strongly recommend that the designation ‘low-skill work’ be critically reconsidered, because it implies a devaluation of such occupations;
- *labour market policies*: from a gender perspective, the inactive and returners to the labour market should be as much the focus of attention as the unemployed. This needs to be addressed directly by extending access to active labour market programmes to the inactive who want to work.

All in all, our findings suggest that an increase in the volume of low-skill work should not be the sole focus of policy in this area. Rather, attention must be paid to the entire skill spectrum and greater consideration given to job quality. This applies also, and particularly, to the low-skill occupations that are the focus of attention here. The success of any attempts to raise women’s employment rates and to improve the quality of these jobs will depend on whether the general conditions for women’s economic activity can be improved at the same time.

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0 Introduction

Over recent decades European labour markets have been characterised by rising female participation, which is clearly linked to the increasing importance of the service sector. Thus, in order to achieve the Lisbon 2000 objective of increasing the female participation rate from 54 to 60% by 2010, it seems to be necessary to focus primarily on increasing service employment. Low-skill occupations are seen as offering particular employment potential, as the European Parliament's call for tenders emphasises, especially in activities that help 'to solve increasing difficulties of everyday urban life'.

However, whether and to what extent we are actually dealing here with 'low-profile work' that offers additional employment opportunities for low-skilled workers in particular is hardly an uncontroversial issue. After all, household-related services encompass a wide range of occupations with various skill requirements. In particular, certain occupations requiring interaction with people cannot in any way be said to make few demands of workers. Nevertheless, they are frequently lumped together as 'low-skill jobs' due, among other things, to the fact that they tend to be socially undervalued and that there is little willingness to pay for activities that have traditionally been performed free of charge by women. Thus it would seem as urgent as it is necessary to enhance the social recognition of such occupations. However, this recognition cannot be restricted to 'kind words' but ultimately must also be reflected in better pay and working conditions.

Thus what is at stake is not only a quantitative increase in women's employment but also an improvement in job quality. This is consistent with shifts of emphasis at European level. Besides the mere growth in the number of jobs, the aim of raising the quality of female employment has become an increasing focus of European policy and research. And in fact this is an important objective, since European labour markets are highly gender segregated: female employment is concentrated in certain industries and occupations (horizontal segregation) and within those industries and occupations women are underrepresented in managerial or senior positions and over-represented in low-paid jobs with poor employment conditions (vertical segregation).

However, if the aim is to increase social recognition and improve job quality, then in our estimation the 'low-skill' designation is also problematic, since it implies a devaluation of those employed in such occupations. In some cases, 'low-paid work' would actually be a more appropriate designation. And in the course of this study we will be investigating in greater detail the question of whether a majority of workers in these occupations in the three countries under investigation are in fact low-skilled individuals.

The objectives of the study are threefold:

- to provide a description as well as a preliminary quantified analysis of the occupational cluster of low-skill work from a gender perspective;
- to present best practices in the various national contexts and sectors that have helped to increase the positive perception of low-skill work, as well as its social and economic recognition (i.e. job quality);
- to present guidelines and recommendations for improving the social recognition and professional status of low-skill work and low-skilled workers.

It should be borne in mind that the statistical analyses can relate only to existing jobs, whereas in the case of the other two research questions we are concerned also to identify potential sources of additional jobs, particularly where demand obviously exists but hitherto there has been too little (legal) supply.

The study focuses on three countries: the Czech Republic (CZ), Germany (DE) and the United Kingdom (UK). This country sample is limited but nevertheless represents a broad range of institutional settings and patterns of female employment. There are significant differences in the level and structure of welfare state services and benefits, wage distribution and levels, the volume and share of service employment and, last not least, female employment rates.

This report is structured as follows:

- In part 1, we start with an overview of female employment rates in the three countries under study, the role of part-time work, childcare responsibilities and the institutional framework.
- In part 2, we turn to the characteristics of the jobs that are absorbing the female labour supply, which is increasing in most countries, and shed some light on the question of which occupations and sectors account for the majority of job growth for women. More specifically, we assess here the extent to which the occupations and industries selected for our study are characterised by job growth and provide job opportunities for low-skilled women.
- In part 3, the focus is on job quality in these occupations. The three national sub-sections focus on key dimensions of job quality - namely, relative pay, skill development, worker voice and work-life balance. Each national portrait draws on employment data – both national sources and our own calculations using European Labour Force Survey data – and assesses the relevance of particular institutions impacting on job quality (e.g. minimum wages, systems of vocational training and working time regulation).
- In part 4, we identify potential starting points for the drive to increase the social recognition of low-skill work and improve job quality in low-skill occupations. The focus here is on examples of best practice from the three countries.

- In part 5, finally, we draw on the results of the analysis in order to formulate some guidelines and recommendations for decision makers in the political and other spheres.

1 Trends in female labour market participation

In the following, we examine the actual trends in and patterns of female labour market participation in the three countries and compare them to overall trends in the EU. Part-time work in particular plays a decisive role in determining the level of female employment rates, as section 1.1 shows. Employees' skill level is an important differentiating factor for (both male and female) employment rates in general, but especially when there are children in the family (section 1.2). In section 1.3 we summarise the institutional conditions that are particularly important in determining women's labour market participation and its structural characteristics.

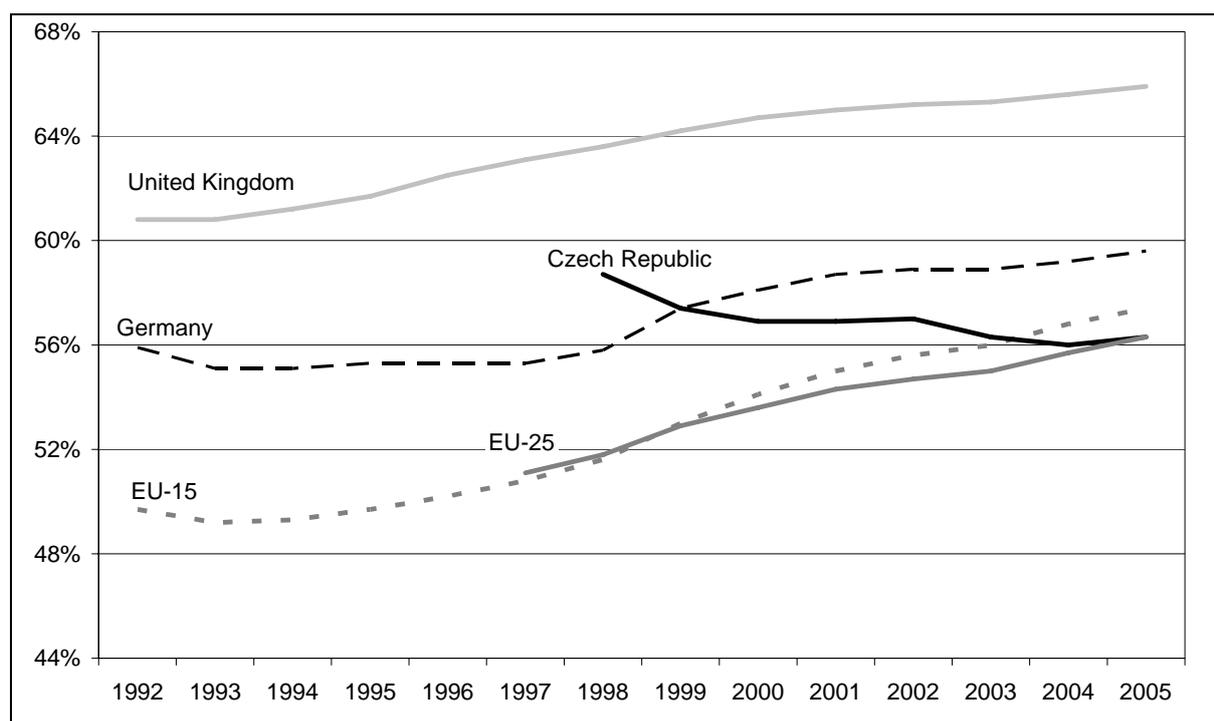
1.1 Female employment rates: part-time work as a pivotal point

In cross-country comparisons, the level and evolution of female employment rates have to be analysed against the background of the level and evolution of overall employment rates, as they are likely to explain at least part of the differences. In this respect, the three countries represent two different socio-economic contexts for the development of female employment rates: The UK which, compared to the EU average, already had relatively high employment rates at the beginning of the 1990s, has over the last 15 years seen an increase in the total employment rate, which had reached 72% by 2005. By contrast, the employment rate in the Czech Republic (data available from 1998 onwards only) has decreased over the years. In Germany, it decreased until 1997 and has increased slightly since. Both countries are now at about the same level as average employment rates in the EU (EU 15: 65.2%, EU 25: 63.8% in 2005).

The analysis of female employment rates reflects these different contexts (see Figure 1).

- The female employment rate in the UK is the highest among the three countries (65.9% in 2005) and has increased over recent years.
- By contrast, the female employment rate in the Czech Republic has decreased and is currently near the level of the average female employment rate in the EU 25 (56.3%).
- Germany is in between these two countries but above the overall EU average, which is partly due to the traditionally very high participation rate of East German women (59.6%).

Figure 1: Female employment rates (15-64 years)



Source: Eurostat online data base, own presentation

However, the trends in female labour market participation also diverge somewhat from overall national trends. In both relative (employment rate) and absolute (number of employees) terms, the evolution of female employment in the UK and Germany (and of the EU 15 and EU 25 average) is more favourable than the figures for the population as a whole. This is most marked in Germany, where the female employment rate has increased in absolute numbers, whereas total employment has decreased (see Table 1). The Czech Republic is an example of the contrary case: the period between 2000 and 2005 saw a slight decline in the number of female employees (-0.2%), while total employment increased by +1.6% in the same period.

Table 1: Female and total employment growth 2000-2005 (change in the number of employees in %)

	CZ	DE	UK	EU 15	EU 25
Total employment change 2000-2005	+1.6	-0.4	+3.6	+5.4	+4.6
Female employment change 2000-2005	-0.2	+2.4	+5.0	+8.8	+7.2

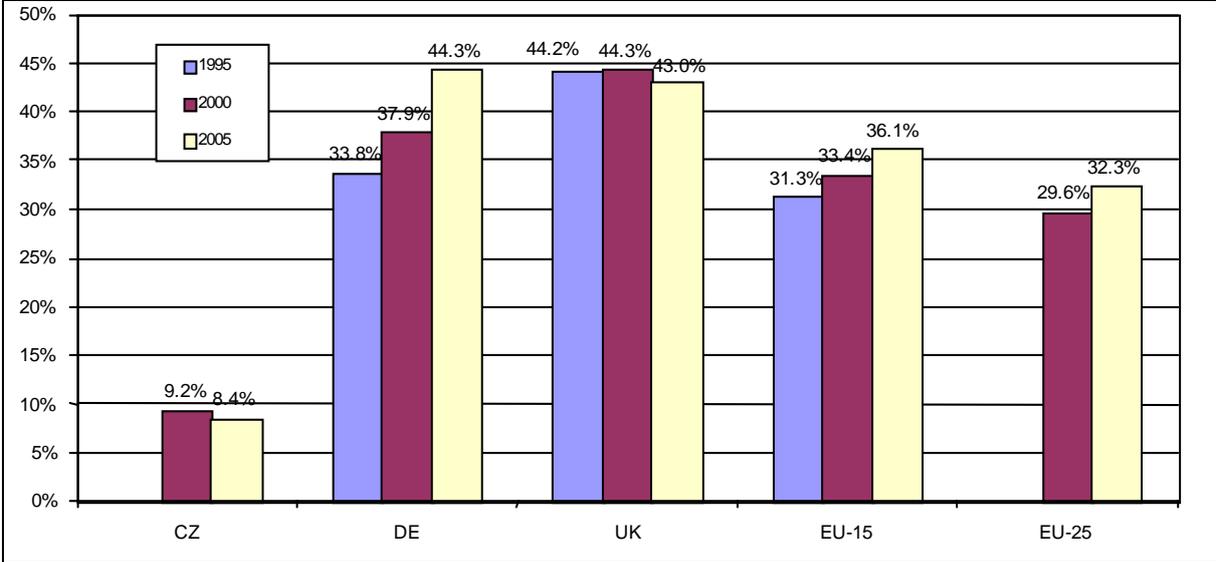
Source: European Labour Force Survey, own calculation

In most EU member states, the participation rates for low-skilled workers are considerably lower than the general participation rates. This is certainly true of the countries under investigation here. In 2003, in the Czech Republic, the female participation rate of low-skilled women in the age range 25-64 was 40.2%, in Germany 43.2% and in the UK 47.2% (EU 15: 45.2% (OECD 2005: 250ff)). This once again underlines quite emphatically that the desired

increase in female labour market participation will not be achieved unless the employment opportunities for low-skilled women in particular are considerably improved.

The pronounced differences between the countries with regard to the importance of part-time work are one likely reason for the diverging trends in female employment rates. In the Czech Republic, the share of women working part-time is among the lowest in the EU and has even decreased over the last five years, while both Germany and the UK are among the countries with part-time rates well above the EU average (see Figure 2). The greatest change has occurred in Germany, where the part-time rate among women increased between 1995 and 2005 by more than 10 percentage points.

Figure 2: Share of part-time work in % of total employment (women)



Source: European Labour Force Survey, own calculation

The figures for part-time employment in absolute terms confirm that the rise in women’s labour market participation is related to an increase in part-time work in the UK and Germany (see Table 2). The opposite relationship is evident in the Czech Republic, where the decrease in female participation has been accompanied by a decrease in part-time employment. Between 2000 and 2005, the decline in the number of female part-time employees in the Czech Republic was disproportionately great (-8.8% as compared to a decline of +0.2% in the total number of female employees). The opposite is true for the EU average. Here, the growth in the number of female part-timers was disproportionately high (+16.8% on average in the EU 25, compared to +7.2% in the total number of female employees). Again, this trend is particularly marked in Germany, where the growth in female part-timers (+ 1.183 million employees) significantly exceeds even the total female employment growth (+ 0.384 million employees), which means that, statistically, during this period every additional job for women has been a part-time job and, moreover, some 800,000 female full-time jobs have been replaced by part-time jobs. In the EU as a whole, the growth in part-time jobs accounted for around 70% of the additional jobs for women. In the UK, which already had a high share of

part-time work among women, only a relatively small percentage of the additional jobs (16.5%) were part-time jobs, which contributed to the above-mentioned relative decline in the share of part-time work among female employees.

Table 2: Evolution of female employment and female part-time work (number of employees, 2000-2005) ⁽²⁾

	Evolution of female employment		Evolution of female part-time employment	
	absolute (in 1,000)	in %	absolute (in 1,000)	in %
CZ	-3,158	-0.2	-16,666	-8.8
DE	+384,050	+2.4	+1,183,414	+19.6
UK	+621,309	+5.0	+102,414	+1.9
EU 15	5,943,355	+8.8	+3,984,710	+17.6
EU 25	5,852,913	+7.2	+4,043,981	+16.8

Source: European Labour Force Survey, own calculation

From these findings we can conclude that part-time work continues to play a crucial role in determining the level of and trends in female labour market participation. The growth in female employment in most countries has clearly been determined by the growth in part-time work, and in the case of the Czech Republic, part of the decline in female employment can be attributed to a disproportionately large decrease in part-time jobs.

1.2 ‘Gendered’ impact of children: employment rates of women with children

The presence of children in households is known to have a gendered impact on the labour market participation of men and women. While it reduces the employment rate of women in nearly all EU countries, the opposite effect can be observed for fathers, whose employment rate in most countries even exceeds the employment rate of men without children (cf. Aliaga 2005). However, the impact on women’s labour market participation differs markedly across countries. Among the three countries under investigation, the difference between the rates for women with and without children (notably in the 20-49 age bracket) is most pronounced in the Czech Republic, but in an EU-wide comparison the UK and Germany are also among the countries with a noticeable gap (Table 3). Furthermore, this brief survey once again highlights the fact that the participation rates for low-skilled women in all three countries, as well as at EU level, are considerably lower than the average.

² As data for the EU 25 and the Czech Republic are available only from 1998 onwards, we will compare the period 2000 to 2005 for all regional entities.

Table 3: Employment rates of women aged 20-49 (in %) by level of education and number of children under 12

No of children	Level of education	CZ	DE	UK	EU 25
None	Low	69	65	56	57
	All levels	86	80	83	75
1 or 2	Low	37	41	35	43
	All levels	56	62	65	62
3 or more	Low	*	21	10	22
	All levels	22	38	38	41
Total	Low	55	53	43	49
	All levels	71	72	73	69

* not available or unreliable

Source: Aliaga 2005, p. 3, figures from Eurostat, European European Labour Force Survey, 2003

Additionally, in both the UK and Germany, the majority (59%) of working women with children under the age of 12 work part-time, whereas this is only the case for less than 10% of working mothers in the Czech Republic; similarly, part-time work for mothers is not very common in most of the new member states (ibid). Hence, whereas part-time work is the predominant employment form used by mothers in order to reconcile work and family life in the UK and Germany, women in the Czech Republic usually either stop working completely or continue to work full-time. Those who stop working completely are predominantly to be found among women with children aged below 2. In this group the employment rate is less than 20%, while the employment rate is at the same level or only slightly below that in the UK and Germany for mothers with children aged between 3 and 5 years (more than 50%), and considerably higher than in the UK and Germany among mothers with children aged between 6 and 11 years (nearly 80%) (ibid).

Another differentiating factor is skill level. The reductions in the employment rates are generally somewhat higher among less well qualified women, a result which can be found in most of the member states (ibid and cf. Table 3).

Thus the Czech Republic, on the one hand, and Germany and the UK, on the other hand, represent two different patterns of reconciling work and family life. In the Czech Republic, women tend to concentrate their ‘family phase’ in the first years after giving birth and afterwards return to the labour market full-time. Women in Germany and the UK, conversely, opt for a shorter absence from the labour market followed by a prolonged period of part-time work.

1.3 The institutional setting

The female labour supply is known to react more strongly to particular institutions, such as the tax-benefit system, than that of men. Therefore, an analysis of the relevant institutional framework is necessary in order to gain insight into general mechanisms that are likely to determine the level and structure of the female labour supply in both high and low-skill work.

However, actual patterns of and trends in female labour market participation also depend on other factors, such as culturally embedded attitudes as well as demand-side economic factors, and can by themselves become a factor that shapes the institutional, demand-side and cultural conditions. As Pfau-Effinger (2004: 154) concludes in her comparative analysis of women's employment in Europe: 'for a long time the increase in women's orientation towards gainful employment received hardly any support from the welfare state in either country. (...) After women had in a dynamic process put their changed employment orientation into practice the state followed - with a considerable time lag. This transformation of welfare state policy can be regarded as a considerably delayed reaction to changes in the cultural ideas and employment patterns of women.'

The differences in the level and patterns of female labour market participation can at least partly be traced back to different institutional settings, which impact on the supply side of the labour market. Rather than one single institutional feature that can easily be transferred to other national contexts, it is the combined effect of different sets of policies and institutions that contribute to changes in the female labour supply. From among the multiplicity of influencing factors, we can single out only three for examination here:

- the tax system and the regulation of part-time work;
- childcare facilities (³);
- parental leave.

Tax system and the regulation of part-time work

Comparative feminist literature on welfare states has revealed substantial national variation in terms of the degree to which the principles governing taxation and social policies reflect the 'male breadwinner' model (Lewis 1992; Sainsbury 1996). Joint taxation is commonly considered as creating disincentives for one of the spouses (generally the woman) to take up paid work, at least if combined with progressive tax schedules.

This principle is most highly developed in Germany, whereas in the Czech Republic and the UK the tax unit is the individual. But in the Czech Republic joint taxation has been introduced as an option for families with small children. In the UK the tax schedule completely disregards the household's income situation. However, research has indicated that the impact of non individualised taxation on female participation is at most weak whereas household-based means tested benefits are much more likely to create disincentives (Rubery 2002).

Another important aspect in this regard is whether and to what extent the tax and social security system offers incentives for the second earner to take up a part-time rather than a full-time job (or a short-hours rather than a long-hours part-time job). In both Germany and the

³ Similar problems with regard to care and support are arising in all countries as a result of the increasing number of elderly people in all countries.

UK, exemptions from taxes and social security contributions exist for jobs below a certain earnings threshold and these exemptions were extended in both countries a few years ago (Germany: €400 per month, UK: £90 (= €137 per week). In the Czech Republic tax reductions apply to low paid jobs. This kind of incentive has been subject to criticism, as short-hours part-time jobs in particular do not give second earners financial independence and help to preserve the traditional gender division of labour – albeit in a somewhat modernised form with the woman working a limited number of hours outside the home in addition to her family responsibilities. In Germany, there are now more than 6 million of these so-called “mini-jobs” and the majority of them are held by women.

Childcare facilities

Taking up paid work requires parents – especially second earners and lone parents – to find alternative care arrangements for their children:

- Depending on the level of fees, the associated costs might prove to be prohibitive, especially for those in low-paid jobs.
- In some countries, the undersupply of childcare facilities can be an even more pressing problem than affordability.
- Even if costs and access do not pose major problems, flexible or unsocial working hours, especially in the service sector (weekend, evening/night), might not match with the opening hours of childcare institutions and therefore constitute a barrier to paid work for parents.
- The poor quality of the available childcare facilities might dissuade parents from using them.

The issue of childcare costs is a central feature of the reform of in-work benefits⁴ in the UK, where average childcare fees for small children (< 3 years) are among the highest in a group of 23 OECD countries, according to a study by Immervoll and Barber (2005), while Germany and the Czech Republic are to be found at the lower end of the range. In Germany and the Czech Republic, the very limited numbers of children under the age of 3 in non-parental childcare and, moreover, the limited number of full-time places even for children aged 3-6 in Germany suggests that parents in both countries are confronted with the second problem identified above, namely that of the undersupply of childcare facilities.

- In the UK, the ‘National Childcare Strategy’ introduced in 1997 has led to the expansion of pre-school and out-of-school childcare facilities and has been accompanied by measures to improve quality standards. Despite this expansion, the number of places is still judged insufficient, particularly with respect to full-time care (cf. Fagan and Hebson

⁴ As the name of in-work benefits and employment-conditional benefits suggests, these benefits are only paid to persons who have taken up a part-time or full-time job.

2005); another problem is high and rising costs. However, the long hours culture in the UK reinforces the problem of the incompatibility between the opening hours of childcare facilities and parents' working hours. This problem is at least partly addressed by the first National Reform Programme within the Lisbon Process, which entails a commitment to providing childcare for 3-14 years old from 8 am to 6 pm by 2010 (Fagan et al. 2006).

- In the Czech Republic, as in the other new EU member states, there has been a decline in the public provision of affordable childcare services, particularly for children below the age of 3 (Fagan and Hebson 2005). However, the enrolment rate in pre-primary education for under 3s remains higher than in other countries and has increased over recent years. 26% of children under 3 attend day care facilities, one quarter of them not being specialised in the care of such small children (ibid.). The National Action Plan for Employment 2004-2006 aims to extend the provision of childcare facilities to at least 33% of children up to the age of 3, but the quality and the affordability of these places do not seem to be major considerations in the current policies.
- In Germany in 2003, there were places in public day nurseries for only 8.6% of all children under three years of age (Deutsches Jugend Institut 2006). With the introduction of the *Tagesbetreuungsausbaugesetz* (Day Care Development Act, abbreviated to TAG), which has been in force since the beginning of 2005, the legislature has clearly signalled its intention of overcoming the childcare deficit in the medium term. The declared aim is to bring the provision of childcare up to the Western European standard in both qualitative and quantitative terms by 2010 (Bundesministerium für Familie, Senioren, Frauen und Jugend 2004). The most recent legal changes introduced with a view to improving the work/life balance offer parents some degree of financial assistance by increasing the share of childcare costs that can be offset against taxes.

Parental leave

A second set of policies aimed at enhancing the reconciliation of work and family life is based on the extension of parental leave provisions and/or legislation giving working parents the right to reduce working hours, often accompanied by the introduction or extension of childcare benefits for those on parental leave. This strategy aims at removing barriers for parents to temporarily opt out of the labour market and to 'make care pay' for those on parental leave while maintaining their labour market attachment in the long term. These strategies are, however, quite ambiguous in terms of their impact on women's labour market participation and the length of the leave entitlement plays a crucial role in this respect. Even if parental leave provisions include a job guarantee that requires employers to reinstate their employees after the leave period, as is the case e.g. in Germany, some studies show that return-to-work rates are particularly low after prolonged parental leave and that the chances of obtaining wage increases after returning to the job are far poorer (OECD 2003). Various

studies also show that the negative impact on labour market participation is stronger the lower the level of education and the quality of the job held before going on parental leave (in terms of income, job security etc.) (ibid).

- As regards parental leave entitlements, the UK belongs to the countries with comparatively short and unpaid leaves. Accordingly, the take-up of leave entitlements is minimal, similar to other countries with short and unpaid leaves (Greece, Ireland, Spain, Portugal) (Fagan and Hebson 2005).
- In the Czech Republic, by contrast, the take-up of leave entitlements is almost universal as on average women take parental leave for two years (Plantenga and Remery 2005). The parental leave follows maternity leave (6 months) and can be taken until the child is 4 years old. Parents on leave are entitled to a flat-rate parental allowance which amounts to roughly half of the minimum wage. In 2004 a reform was introduced that allows those on parental leave to work as many hours as they want – and still receive the parental allowance. However, the ability of those on parental leave to hold down a job was hampered by the fact that they were not allowed to use childcare more than 5 times a month. In January 2006 there was a change in this condition – from 5 days per months to 4 hours per day (OECD 2006c).
- In Germany, the major change is the introduction in January 2007 of a new parental allowance (*Elterngeld*). The parental allowance now replaces 67% of the previous net income of the parent caring for the child, with a monthly minimum of €300 up to a maximum of €1,800. Secondly, the time period for paid leave is considerably shortened (12-14 months), while the maximum length of unpaid parental leave (3 years per child) remains unchanged. As before, both paid and unpaid parental leave can be combined with part-time work up to 30 hours per week. Thus in contrast to the previous arrangement, the new allowance provides incentives for shorter absences from the labour market but also makes those absences financially more rewarding – at least for those with higher earnings. Critics of the new allowance question whether the additional public expenditure associated with the new allowance is well targeted, given the insufficient availability of childcare facilities.

1.4 Conclusions

- In two of the three countries under investigation here, the female participation rate is already at or even above the target of 60% to be achieved by 2010. The exception is the Czech Republic, where the female participation rate has actually been declining for several years.
- However, participation rates for low-skilled women, particularly those with children, are considerably lower in all the countries. This suggests that particular attention should be paid to this group in any policy aimed at raising female participation rates.
- There are considerable differences between the three countries in the share of part-time employment. Whereas the Czech Republic has an extremely low part-time rate by international standards, Germany and the UK are considerably above the EU average.
- The extent and structure of women's economic activity are particularly influenced by the institutional environment. It is clear from the selected factors outlined above that national models differ considerably.
- In addition to institutions impacting on the supply side, it is also demand-side factors and the interplay between the two that determine the degree of choice available to women. For instance, the low part-time rate in the Czech Republic may also be the outcome of long-standing traditions in the organisation of labour within the firm, which limit the number of part-time jobs on offer; conversely, the long-standing tradition of female part-time work in Germany and the UK might also have promoted a 'part-time culture' in female-dominated occupations, which is nowadays supported by firms for economic reasons irrespective of their employees' actual working time preferences. The more detailed information on job quality provided in section 3 will shed some more light on the demand-side factors impacting on female labour market participation.

2 Low-skill service sector – job prospects for (low-skilled) women?

Our analysis so far has shown that female employment rates as well as female employment have been growing in recent years, except in the Czech Republic. In this section we address the question of how female employment growth is related to low-skill occupations. We first analyse whether (female) employment is growing in the low-skill segment across the economy as a whole (2.1). As the growth of women's employment is frequently linked in the political debate to the expansion of low-skill service occupations, we continue by focusing on selected occupations typically considered as low-skill in order to ascertain the extent to which women can participate in growing employment in these occupations. Sectors often mentioned in this context include hotels and catering, cleaning, child and elderly care services, hospitals and retail (⁵). We will analyse the extent to which these occupations and industries ought to be characterised as low-skill occupations (2.2) and whether employment in them is growing (2.3), especially for low-skilled employees, women and low-skilled women in particular.

As already noted in the introduction to this report, the statistical analyses can relate only to existing jobs and not to areas of employment that are regarded as having additional job creation potential that have still to be opened up and tapped. We go into this in greater detail in part 4.

2.1 Employment growth in low-skill occupations?

In order to assess the employment growth in low-skill occupations we first had to select an appropriate definition of low-skill occupations. For this purpose we used a modified form of the approach developed by Stiglitz (Council of Economic Advisors 1996) and further improved by Wright and Dwyer (2003a and b). We took the share of low-skilled employees in an occupation as a proxy variable for the skill requirements in the occupation. Thus we can divide occupations into high, intermediate and low-skill segments according to their position relative to the median share of low-skilled employees across all occupations. The cut-off point for a low-skill occupation is a share of low-skilled workers greater than 8.3% in the Czech Republic, 23.2% in Germany, 44.7% in the UK and 52.1% for the EU 15 (see Annex for further explanation of this approach). These very wide differences in working definitions of a low-skill occupation for each country reflect differences in levels (and years) of schooling, access to vocational training and opportunities for higher education. Table 4 shows, firstly, how total and female employment at the various skill levels evolved between 1995 and 2000 and between 2000 and 2005.

⁵ For an overview of the occupations selected for further analysis cf. Annex (Table A 3).

Table 4: Employment growth in high/intermediate/low-skill job segments (relational model) (in %)

	skill segment	CZ	DE	UK	EU-15
Evolution of total employment 1995-2000	high		+10.2	+11.3	+21.4
	intermed.		+0.7	+3.7	+1.0
	low		-4.5	+0.4	+6.7
	total		+1.5	+4.2	+6.7
Evolution of total employment 2000-2005	high	+9.3	+9.7	+5.7	+12.9
	intermed.	-5.8	-4.0	-3.2	+3.2
	low	-0.2	-1.3	+11.4	+2.8
	total	+1.6	-0.4	+3.6	+5.4
Evolution of women's employment 1995-2000	high		+12.1	+13.8	+25.3
	intermed.		+5.7	+6.7	+4.5
	low		-2.3	+3.3	+6.7
	total		+5.2	+7.1	+10.0
Evolution of women's employment 2000-2005	high	+8.4	+12.4	+6.9	+15.1
	intermed.	-7.9	-0.7	-1.8	+7.5
	low	-5.5	+0.9	+12.9	+3.1
	total	-0.2	+2.4	+5.0	+8.8

Source: European Labour Force Survey, own calculation

The upper half of the table shows the evolution of *total employment*. For the EU15 during both periods, employment growth was considerably higher in the high skill segments than in either intermediate or low-skill segments. This patterns was especially marked in Germany (both periods) and the Czech Republic (2000-2005) where employment in the low-skill segment actually declined. However, the drop in intermediate skill jobs in these two countries during 2000-2005 suggest an emerging trend of hollowing out of skill segments. The UK is exceptional since low skill segments actually increased during both periods; indeed, during 2000-2005 the largest increase in employment was in the low-skill segment.

The lower half of the table shows the evolution of *women's employment*. Compared to the trends for all employees, women's employment grew more strongly or declined less than total employment, while in the Czech Republic female employment grew less or declined to a greater extent than total employment. These results confirm the general trends discussed in Chapter 1 – i.e. higher levels of employment growth for women in the UK and Germany and lower levels in the Czech Republic – and show that they apply to all skill segments. What is also striking is that in Germany and the UK women's employment in the low-skill segment either increased at a higher rate, or declined at a lower rate, than low skill segments for total employment in the respective periods. By contrast, in the Czech Republic, women faced stronger reductions in low-skill employment during 2000-2005.

Overall, the results of the statistical analyses for the past 10 years do not support the widespread hope that additional jobs can also be created in the low-skill segment, or even that employment growth can be concentrated in that segment. On the contrary, employment growth is actually greater in the high-skill segment than in low-skill occupations. This is reflected most clearly in the evolution of employment at the EU 15 level, where growth rates

for total employment and for women’s employment in the high-skill segment exceed those in the low-skill segment by a multiple of between three and five. In most countries, however, women’s employment in the low-skill segment has at least grown slightly. In the following section we will narrow down the focus and concentrate on selected low-skill service occupations, which lie at the heart of our statistical analysis.

2.2 Are the target occupations typically low-skill occupations ?

It should be borne in mind in the following analyses that the average shares of low-skilled employees in the three countries under investigation differ considerably. They range from 5.7% in CZ, through to 16.1% in DE and 24.1% in UK, with the share for EU 15 running as high as 28.8% (cf. Table 5). Unlike Table 4, which focused on skill requirements, this table focuses on employees, classified by skill level. With the exception of Germany, where the share of workers without formal qualifications has remained constant at a relatively low level, considerable decreases in the share of low-skilled workers can be observed, both in the other two countries and across EU 15. In the UK, for example, the share of such workers has almost halved in just 10 years.

Table 5: Evolution of skill structure (in %) (1995 – 2005)

Country	Skill-level ⁽⁶⁾	1995	2000	2005
CZ	High		12.6	14.7
	Intermediate		78.7	79.6
	Low		8.8	5.7
DE	High	24.2	25.6	26.0
	Intermediate	59.9	57.2	57.9
	Low	15.9	17.2	16.1
UK ⁽⁷⁾	High	23.5	29.4	30.5
	Intermediate	33.8	40.8	45.4
	Low	42.7	29.8	24.1
EU 15	High	20.7	24.0	26.4
	Intermediate	42.0	43.3	44.7
	Low	37.3	32.7	28.8

Source: European Labour Force Survey, own calculations.

The selected target occupations are service occupations typically considered as low-skill occupations. Our analysis focuses on the following:

- sales clerks in retail trade;

⁶ The ‘low’ skill category includes categories 0-2 and 3c (shorter than three years) of the International Standard Classification of Education (ISCED) - the intermediate category includes ISCED 3-4 and the high category includes 5 and 6.

⁷ For country comparisons, it makes a difference whether the ISCED 3c category (shorter than three years) is categorised as low or intermediate. In our analysis using labour force survey data, ISCED 3c (shorter than three years) is coded as low-skill. If it were coded as intermediate, the share of low-skilled workers in the UK would be much lower.

- housekeeping and restaurant service workers in hotels;
- domestic helpers and cleaners in different sectors;
- employees in personal care for the elderly and children⁽⁸⁾.

In assessing whether or not the target occupations are in fact low-skill occupations, attention must be paid in particular to whether or not the share of low-skilled employees is above or below the relevant national average value. Table 6 shows the shares of low-skilled workers in selected target occupations for 2005 and compares them with each national average value. Particularly high shares of low-skilled workers relative to the national average are marked ++ and shaded grey.

Table 6: Share of low-skilled workers in the target occupations (2005)

Target occupation	CZ		DE		UK		EU-15	
	%		%		%		%	
Retail	6.2	(+)	20.3	+	38.5	++	36.7	+
Hotel, housekeeping	5.6	(-)	34.1	++	28.7	+	44.0	++
Hotel, cleaning	26.4	++	52.0	++	43.2	++	54.6	++
Cleaning industry	22.8	++	53.3	++	64.9	++	64.9	++
Cleaning occupations	40.8	++	51.0	++	56.8	++	58.2	++
Health, cleaning	19.0	++	17.5	+	26.4	+	29.0	(+)
Health, personal care	1.8	-	8.3	-	26.0	+	16.7	-
Total economy	5.7		16.1		24.1		28.8	

Source: European Labour Force Survey, own calculations.

As Table 6 shows, a similar pattern can be observed in all three countries and across EU 15. Particularly high shares of low-skilled workers are found in various cleaning occupations. In retailing, on the other hand, the shares of low-skilled workers are, with the exception of the UK, only slightly above the relevant average. More or less the same applies to health/personal care (with the exception of CZ). In childcare, the shares of low-skilled workers are relatively low, with the exception of the UK. The UK is also the only country in which all the occupations considered here have above-average shares of low-skilled workers.

In most occupations and countries, the shares of low-skilled employees have been declining since 1995 – sometimes substantially (cf. Table 5 and 6). This indicates that more and more skilled employees are working in these occupations. One explanation for this trend may be a general upskilling of the occupations associated with increases in the educational level being required of employees. Another explanation may be high unemployment rates, even among skilled workers, which are forcing them to accept job offers below their qualification level.

⁸ Our LFS-calculations include some more occupations, but in several cases the results are not reliable.

2.3 Employment growth in the target occupations

In 2.1 above, we analysed how employment in the various skill segments had evolved. It emerged from this analysis that employment growth had been higher than average in the high-skill segment in particular. However, what is the situation in the target occupations in the service sector that are being investigated in greater detail here?

Table 7: Evolution of employment in the target occupations (in %) (1995-2000 and 2000-2005)

Target occupation	CZ	DE		UK		EU 15	
	00/05	95/00	00/05	95/00	00/05	95/00	00/05
Retail	+11.9	-3.5	-12.5	+13.0	+18.3	+12.3	-6.3
Hotel, housekeeping	+22.4	+20.8	+14.2	+9.0	-15.1	+25.9	+6.7
Hotel, cleaning	-9.4	+19.8	-6.4	-5.2	+65.4	+31.7	+23.9
Cleaning industry	+43.1	+63.6	+12.9	+10.5	+6.2	+62.3	+10.9
Cleaning occupations	-15.8	+28.0	+6.4	-8.0	+16.9	+20.7	+22.8
Health, cleaning	-25.9	+37.9	+11.0	-22.5	+0.6	+12.1	+37.0
Health, personal care	+99.7	+13.5	+9.3	+19.3	+43.4	+33.0	+23.3
Total economy	+1.6	+1.5	-0.4	+4.2	+3.6	+6.7	+5.4

Source: European Labour Force Survey, own calculations. No data are available for the Czech Republic for 1995.

Remarkably, at the level of the EU 15, employment in all the selected occupations grew at a significantly higher rate than for the total economy between 1995 and 2005, with the single exception of retail jobs during 2000-2005 (cf. Table 7). In the three countries under investigation, there are some occupations in which employment fell in one or even both periods (shaded grey in the table). This applies to the retail trade in Germany, for example, and various cleaning occupations, particularly in the Czech Republic and the UK. On the other hand, growth rates were particularly high (bold in the table) in the cleaning industry in the Czech Republic, Germany and EU 15; this trend was accompanied by a decline in cleaning occupations in other sectors, especially in the Czech Republic and Germany. This demonstrates quite clearly that the outsourcing of cleaning activities is playing a particularly strong role here. Above-average employment growth was also recorded in health/personal care, particularly in the Czech Republic and in the UK and across EU 15. This may be an indication that these occupations are becoming increasingly organised more professionally.

At the level of the EU 15, where all occupations recorded a rise in employment, the increase was accompanied by a rising share of part-time work. The share of part-time working did not grow continuously in all occupations, but for all it was higher in 2005 than in 1995 (cf. Table 8). This trend is particularly marked in Germany, where the share of part-time employees in most occupations grew continuously and significantly stronger than for the EU 15. In the Czech Republic, the share of part-time work fell in the retail and cleaning industries and changed only slightly in the other occupations. In the UK the picture is similar with a tendency for the share of part-time work to fall or remain more or less stable. One notable

cross-country pattern is that part-time work is over-represented in all target occupations in Germany and the UK (suggesting part-time work is associated with low skill work), but this is not the case in the Czech Republic. For example, in child care work, just 4% are part-time in the Czech Republic compared to higher than average shares of 40% and 56% in Germany and the UK, respectively.

Table 8: Share of part-time work in the target occupations (in %), 1995-2005

Target occupation	CZ		DE			UK			EU 15		
	2000	2005	1995	2000	2005	1995	2000	2005	1995	2000	2005
Retail	10.9	9.6	44.9	52.3	59.7	70.1	72.2	70.1	35.0	39.7	47.1
Hotel, housekeeping	3.6	4.1	23.6	30.8	40.7	56.8	59.0	57.7	25.5	29.9	34.4
Hotel, cleaning	22.7	22.6	49.0	60.8	67.0	78.5	75.3	66.9	48.8	48.3	49.1
Cleaning industry	38.4	29.5	73.3	73.5	84.8	77.7	76.2	67.3	60.3	61.0	64.3
Cleaning occupations	30.2	30.7	72.9	77.2	85.3	77.7	76.0	68.6	59.1	59.3	61.2
Health, cleaning	19.4	20.9	58.9	72.4	78.7	73.3	73.5	61.4	57.9	60.2	58.4
Health, personal care	3.9	3.5	32.9	36.9	46.7	53.9	54.8	43.8	36.0	40.5	37.9
Child care		4.0			40.1			56.2			44.6
Total economy	5.3	4.8	16.3	19.4	24.2	24.0	25.3	25.7	16.0	17.8	20.2

Source: European Labour Force Survey, own calculations.

2.3.1 Target occupations: job prospects for women?

The share of women is particularly high in almost all target occupations across all countries. The share of women is very high (> 85%) in all the ‘caring’ occupations in health and child care (with the highest shares between 93.8 and 99.4%), whereas in the other occupations in hotel, retail and cleaning, the differences between the countries are more pronounced. The shares of female employees in the cleaning occupations, for example, range between 75.6% (UK) and 93.8% (CZ). Only housekeeping in hotels is not strongly feminised, with women accounting for between 49.4% (CZ) and 61.9% (DE) of total employment in the occupation.

The crucial question for our analysis is whether the selected occupations offer decent employment prospects for women. As this question is essential for the analysis we will discuss the data on this issue in more detail (cf. Table 9).

Table 9: Employment change of women within the target occupations (in %) (1995-2005)

Target occupation	CZ	DE	UK	EU-15
	2000/2005	1995/2005	1995/2005	1995/2005
Retail	-10.2	-16.9	+26.4	+9.8
Hotel, housekeeping	+11.0	+41.2	-24.5	+42.2
Hotel, cleaning	-12.1	+7.2	+43.2	+52.4
Cleaning industry	+39.5	+84.6	+13.1	+85.0
Cleaning occupations	-17.7	+35.3	-1.5	+48.9
Health, cleaning	-25.9	+53.5	-29.2	+52.2
Health, personal care	+93.3	+26.0	+69.4	+66.9
Total economy	-0.2	+7.8	+12.4	+19.6

Source: European Labour Force Survey, own calculations.

At the level of the EU 15, employment for women grew continuously in all target occupations between 1995 and 2005 ⁹. In Germany the picture is similar, with declining female employment only in retail. In the Czech Republic, female employment declined in most occupations except housekeeping in hotels, the cleaning industry and – particularly marked – in personal care. In the UK, female employment declined solely in housekeeping and cleaning occupations in the health sector and other industries, whereas female employment in retail, hotel cleaning and personal care increased significantly. All in all, the target occupations obviously offer employment prospects for women, with some exceptions in the Czech Republic and the UK. Total employment growth for women in the selected occupations accounts for 29.9% of the employment growth for women in the total economy in Germany, 34.3% in the UK and 37.6% in the EU 15. No such figure can be provided for the Czech Republic, since employment for women is declining in the economy as a whole and in most target occupations.

2.3.2 Target occupations: job prospects for low-skilled?

While employment growth in general in most of the target occupations has generally led to employment growth for women in particular, it is less obvious that this growth has also improved employment opportunities for low-skilled workers, although in most of the target occupations the share of low-skilled employees is higher than the national average, in some cases more than twice as high (Table 6). However, employment growth within an occupation may be accompanied by a change in that occupation's skill profile and therefore does not necessarily lead to additional employment opportunities for low-skilled employees.

Our analysis has shown that the evolution of employment for the low-skilled in the target occupations is very divergent across the countries under study. For the EU 15, employment of low-skilled workers has been increasing in all the target occupations, with the exception of retail. This goes against the downward trend of employment for low-skilled workers in the European economy as a whole (Table 10). Almost the same applies to Germany, where the

⁹ No data are available for the Czech Republic for 1995, so the year 2000 is compared with 2005.

increases in low-skilled employees are even more marked. The picture in the Czech Republic and the UK is completely different, since the shares of low-skilled employees are declining, sometimes significantly, in almost all target occupations.

Table 10: Employment change of low-skilled employees (men and women) within the target occupations (in %) (1995/2005)

Target occupation	CZ	DE	UK	EU-15
	2000/2005	1995/2005	1995/2005	1995/2005
Retail	-18.0	+12.4	-22.0	-20.2
Hotel, housekeeping	-34.4	+56.9	-54.8	+5.6
Hotel, cleaning	(-42.9)	+20.9	-15.5	+28.5
Cleaning industry	(-6.0)	+90.8	-6.5	+65.0
Cleaning occupations	-33.1	+28.4	-24.7	+27.6
Health, cleaning	-29.7	+38.8	-43.2	+35.2
Health, personal care	+76.0	+19.6	-29.2	+17.3
Total economy	-33.7	+6.6	-39.3	-8.3

Source: European Labour Force Survey, own calculations. Values in brackets have limited reliability because of the small number of employees. No data are available for the Czech Republic for 1995.

At first sight, there would seem to have been significant increases for low-skilled workers in Germany. However, it should be borne in mind that part-time working has increased considerably in recent years. As detailed analyses show, a large part of the employment growth is due simply to a redistribution from full-time to part-time work. The available volume of work, which in some cases may even have fallen, has been distributed among a larger number of people.

2.3.3 Target occupations: job prospects for low-skilled women?

Since we are concerned here primarily with the job prospects of low-skilled women, we will conclude this section by looking in greater detail at this particular issue. Do the selected target occupations offer good job prospects for low-skilled women? Once again, the picture is very mixed (Table 11). In the Czech Republic and the UK, the employment prospects for low-skilled women in the target occupations and in the economy as a whole have declined considerably, whereas the trend in Germany seems to be very much more favourable. Here, employment has increased in all the target occupations, but, as already noted, this is attributable largely to the strong growth in part-time work. The picture for the EU 15 is similar. With the exception of retailing and the evolution of total employment, low-skilled women have increased their share of employment, in some cases considerably so.

Table 11: Employment change of low-skilled women within the target occupations (in %) (1995/2005)

Target occupation	CZ	DE	UK	EU-15
	2000/2005	1995/2005	1995/2005	1995/2005
Retail	-15.3	+9.9	-20.5	-11.3
Hotel, housekeeping	-40.7	+45.8	-62.3	+11.2
Hotel, cleaning	(-45.8)	+13.5	-21.2	+21.2
Cleaning industry	(-11.3)	+90.1	-11.1	+70.2
Cleaning occupations	-35.0	+27.5	-29.8	+27.5
Health, cleaning	-29.3	+36.3	-48.1	+32.6
Health, personal care	+79.0	+15.2	-30.9	+19.9
Total economy	-33.8	+4.8	-37.0	-8.0

Source: European Labour Force Survey, own calculations. Values in brackets have limited reliability because of the small number of employees. No data are available for the Czech Republic for 1995.

2.4 Conclusions

- The analysis of employment trends based on the European European Labour Force Survey has shown that regardless of different national levels of low-skilled employment and of how strong employment growth (or decline) within a country is, employment in occupations with lower skill levels (relative to other occupations within the country) is generally increasing less or decreasing more strongly than employment in the other skill segments. Even in the UK, the only country in our sample with fairly strong employment growth in the low-skill segment between 2000 and 2005, that growth has not necessarily been accompanied by increasing job opportunities for low-skilled employees. Indeed, the contrary is the case, since there have actually been employment losses for the low-skilled and gains for higher skilled workers, even in the low-skill job segment.
- For the target occupations, the evolution of employment for the low-skilled in general and for low-skilled women in particular differs from country to country. While Germany has seen employment gains for the low-skilled in most target occupations (primarily due to the strong increase in part-time employment, however), the picture is completely different for the Czech Republic and the UK.
- Taking the increases in women's employment in the target occupations as a whole, the trend is more positive. In most of the occupations, women's employment grew, with some exceptions in the Czech Republic and the UK. However, this employment growth has followed different patterns. In Germany, it has been accompanied by a marked increase in part-time jobs, while in the UK the part-time share has declined, although from a relatively high level. In the Czech Republic, the part-time share has remained stable in most cases, although at a very low level by international standards.
- Thus by way of a provisional conclusion we can state that women have increased their share of employment in low-skill occupations but that these gains are frequently

attributable largely to the growth in part-time work and have benefited women with low levels of formal qualifications to only a limited extent. This supports the argument we advanced in our introduction, namely that it is not sufficient simply to equate low-skill work with employment opportunities for low-skilled women.

3 Job quality in female dominated ‘low-skill’ service occupations

The level of female labour market participation also depends on the demand-side factors and more specifically on job quality; as Fagan and Hebson (2005: 105) emphasize: ‘[...] without jobs of good quality, childcare alone cannot provide the impetus for high maternal employment rates’. The same applies to parental leave provisions, as we have seen in section 1.3. If job quality is poor in terms of income and job security, paid parental leave entitlements are likely to work at the detriment of the participation rates of low-skilled and/or low-waged women, as they frequently opt for extended leave periods which further narrow their re-integration perspectives. Therefore, job quality and the institutions impacting on job quality are quite relevant in determining female labour market participation.

This was also one of the reasons to include the goal of improving job quality in the Lisbon Strategy of the European Union. Our analysis will not cover all dimensions and indicators for job quality as conceptualized by the European Commission (see for example European Commission 2001 and 2003), but we chose a set of four key dimensions of job quality:

- the remuneration of the jobs;
- the contribution of industrial relations/social dialogue to worker voice;
- vocational training and skill development; and
- working time flexibility and work-life balance.

The following analysis presents national portraits of job quality in the selected occupations and industries in the UK, Germany and the Czech Republic.

3.1 United Kingdom

3.1.1 Remuneration

In the UK, women employed in low skill jobs experience a high pay penalty due to the wide pay differential between low-skill and high-skill jobs, the wide inter-decile pay distribution and the wide gender pay differential. However, several examples of employer practices, trade union actions and government policies show that improvements of the relative pay of women in low-skill work are possible (cf. the best practice examples in part 4).

Using a definition of low wage employment as jobs paying less than two thirds of the median hourly wage for all employees (low pay threshold),

- women are more than twice at risk of low pay than men (29% of female employees compared to 13% of male employees) ⁽¹⁰⁾;
- the risk of low pay among part-timers is extremely high – up to 50% earn below the low pay threshold;
- low pay is concentrated in a handful of sectors where women predominate and low-skill jobs are offered: one in four low wage jobs are in the retail sector, where 49% of employees are low paid; around one in seven are in health services; and another one in seven are found in hotels, where 59% of employees fall below the low pay threshold.

Considering low-skill occupations within the target areas of retail, childcare/elderly care, hotel and catering, hospitals and cleaning, the level of gross hourly pay falls below the low wage threshold in all cases. Table 12 shows that the highest pay in 2006 is for nurse assistants at £8.12, compared to a low wage threshold of £8.71 and the lowest pay is for bar staff at £5.49, just above the National Minimum Wage of £5.35 since October 2006. Moreover, most groups of workers (men and women) in these selected occupations earn less than half the average hourly pay of all male full-timers, down to 36% for women working part-time as bar staff. The slightly better paid groups include: nurse assistants, who have benefited from the implementation of a new pay agreement in the National Health Service that covers all employees employed in the public hospitals sectors (cf. chapter 4); care assistants and home carers; and men working full-time as a sales assistant or retail cashier.

Table 12: Gross hourly pay (excluding overtime) for selected occupations in 2006 (in £)

	All	Full-time		Part-time
		male	female	female
Nurse assistants	8.12	8.11	8.11	8.16
Care assistants & home carers	7.60	8.08	7.52	7.57
Nursery nurses	7.26	6.08	7.33	7.12
Sales assistants & retail cashiers	6.62	7.51	6.72	6.00
Kitchen & catering assistants	5.94	5.97	6.26	5.81
Bar staff	5.49	5.84	5.56	5.26
Cleaners, domestics	6.22	6.49	6.32	6.08
National Minimum Wage	5.35			
Low Pay Threshold	8.71			
All employees	13.07	14.62	12.11	9.12

Source: Annual Survey of Hours and Earnings, 2006 (own calculations).

Impact of the National Minimum Wage (NMW)

Because of the low level of collective bargaining coverage in the UK (cf. introduction to report), the introduction of a National Minimum Wage in 1999 has had an important impact on the fortunes of women employed in low skill jobs – in many cases providing a strong

¹⁰ These estimates, and the other data that follow in this paragraph, derive from the Labour Force Survey (2005 data), based on calculations by Geoff Mason and Matt Osborne at the National Institute for Economic and Social Research (see Mason et al. 2007).

impetus for a pay rise each year. The introduction and subsequent annual upratings directly raised the pay of more than one million workers each year (Low Pay Commission 2005). Moreover, women are the main beneficiaries, especially women in part-time jobs. For example, the Low Pay Commission estimated that the beneficiaries of the 2004 uprating of the minimum wage from £4.50 to £4.85 included 49% female part-timers, 21% male full-timers, 19% female full-timers and 12% male part-timers.

While introduced at a relatively low level, the Low Pay Commission adopted an explicit policy of increasing the level relative to median earnings during the period 2003-2006. Subsequent research suggests that this period of uprating the minimum wage coincided with continued employment growth in sectors where low pay is most common (with the exception of agriculture and textiles). Nevertheless, there has been growing disquiet among employers, especially those employing workers in the target occupations. Perhaps the most vociferous is the British Retail Consortium, which claimed that 78,000 jobs were lost as a result of the minimum wage during 2005, although this conflicts with claims from the Trade Union Congress (TUC) that in fact 23,000 jobs were created (¹¹).

There is evidence that employers have paid for the higher minimum wage not by shedding jobs, or by cutting back on salaries at the top end of the organisation, but by reducing or abolishing bonuses and other pay enhancements for low skill jobs. Research by the retail employers' association found that 44% of retailers reduced bonuses in response to the October 2005 increase in the minimum, and 38% planned to eliminate wage premia for Sundays and public holidays in response to the 2006 increase (British Retail Consortium 2006).

Despite the increases in the relative level of the minimum wage during 2003-2006, there is a great deal of evidence that pay rates in many of these apparently low skill jobs are inadequate, both in terms of the labour market conditions and as an appropriate measure of the value of the job. Elderly-care workers, for example, are in strong demand but employers often lack the power to improve pay rates because of difficulties in negotiating higher fees from public bodies which purchase care for patients.

3.1.2 Industrial relations system

Against the background of the fragmented industrial relations system and the decline of collective bargaining among private sector workplaces, we find that most women workers in low-skill jobs fall outside collective bargaining coverage. The exceptions are employees in the public hospitals sector (the National Health Service) (see also Boxes Best Practise 1 and 4 in Chapter 4) - including cleaners, housekeepers and assistant nurses, who are covered by a nationally coordinated wage agreement. Also, workers engaged in child care and elderly care

¹¹ As reported on BBC news, <http://news.bbc.co.uk/1/hi/business/5366410.stm> (accessed 12.12.06).

employed by local authorities are covered by the national wage agreement for local authorities.

With regard to the remaining target occupations we are confronted with a completely different scenario as pay tends to be set unilaterally by the employer, or, in a minority of cases, following negotiation at either the workplace or the company level. There is a great variation in union density across occupations and industries related to our target groups of female-dominated low skill jobs. Considering the different occupational groups, sales and customer services occupations are very poorly represented by trade unions, with 12% of all employees unionised and less than one in ten among part-time employees. Among industries, the striking example is hotels and restaurants where unionisation is virtually non-existent, at just 4.2%. Nevertheless, there have been notable successes in the hotel industry: the Transport and General Workers Union (T&G) has been successful in gaining recognition in certain hotel branches, and Britain's General Union (GMB) has been successful in gaining recognition in the Jarvis hotel chain (¹²).

While overall trade union density in the retail sector is low – at 11% for all employees in 2005 – there is a high profile retail collective bargaining agreement between Tesco (the largest retailer in the UK) and the Union of Shop, Distributive and Allied Workers (USDAW). This 'partnership agreement' defines the role of the trade union representatives and provides representatives with access to new recruits and regular contact with shopfloor staff. Incidentally, in 2002 the GMB signed separate agreements with the UK branches of Wal-Mart (ASDA retail and ASDA distribution).

3.1.3 Vocational training and policies for skill development

Before we consider the prevailing skill levels among the target occupations it is prudent to highlight that the UK employment system is often characterised as being in a low skills equilibrium, that is, 'a situation where an economy becomes trapped in a vicious cycle of low value added, low skills and low wages' (Wilson and Hogarth 2003). Defining skill levels is a particular challenge, given that skill levels are not only socially-temporally constructed, but also encompass a wide range of abilities, attributes and experiences (Leitch 2005; OECD 2004).

As already illustrated in section 2.2, the proportion of low-skilled employees in the UK is significantly higher than in Germany and the Czech Republic, but lower than the level recorded for the EU-15. The selected occupations reveal a high share of low-skilled workers (cf. Table 6). However, there is emerging evidence that many workers' skills exceed the low demands of jobs they enter. The Trade Union Congress (2005) notes that many women

¹² The 2002 GMB-Jarvis Hotel collective agreement addresses the issue of pay increases and special allowances for night workers and unsocial hours. http://www.gmb.org.uk/Shared_ASP_Files/UploadedFiles/3E007561-E9C8-4B02-AE1C-9F448FE22647_Day4.pdf

choose to work in the retail sector, for example, because it enables them to combine work with their caring obligations, as opposed to choosing the retail sector because it meets their interests or is suited to their qualifications, and ‘in fact [many women] are over-qualified for the jobs they do’. This position is supported by detailed case studies (Grant et al. 2005) and nationally representative survey results (Darton and Hurrell 2005), which suggest that four in five part-time workers are employed in jobs below their potential, either because they held previous jobs where required qualifications or skills were higher, or are employed in jobs that do not use their latent potential. When considering the skill levels among staff employed in the target occupations it is useful to separate these jobs into two general groups:

- In *nursing, childcare and elderly care* government initiatives and targets have sought to raise the skill levels of staff engaged in caring activities with the goal of transforming care work into an ‘attractive profession: one that is respected, and where there are opportunities for development and career progression’ (Scottish Executive 2006:6). National Minimum Standards for Children’s Homes states that a minimum ratio of 80% must have completed their Level 3 in the Caring for Children and Young People. The National Minimum Standards for Care Homes for Older People states that a minimum ratio of 50% trained members of care staff – National Vocational Qualification (NVQ) level 2 or equivalent – must be achieved by 2005, excluding the registered manager and/or care manager, and, in Care Homes providing nursing, excluding those members of staff registered as nurses. In domiciliary care, 50% of care arranged by domiciliary care provided is to be delivered by a care worker qualified to at least NVQ level 2 or equivalent by April 2008 (Eborall 2005).
- In *hotel and catering, cleaning and retail* due to the voluntaristic nature of the UK training model decisions regarding training and provision is relatively random depending on particular characteristics of the firm and the willingness of the employer to invest in skills development. One consequence of the relatively high proportion of low skilled employees in these occupations is the emergence of skills shortages across the occupations under review. In many instances the skills shortages are met by outsourcing the function and by recruiting staff from abroad.

The literature helps to shed light on some of the reasons underlying the low skills levels in the target occupations:

- Research suggests that women seeking to attain (additional) qualifications often have difficulties juggling training with family and work commitments. When this is coupled with the fact that in retail, for instance, undertaking the government funded training is generally not associated with a pay increase, training may not appear like a particularly attractive option (Trade Union Congress 2005).
- Financial constraints and language may also act as barriers to training (Walters 2006a).

- Shift patterns of work may make it difficult for some staff to receive training. For instance in the case of care staff working mornings or nights when training is undertaken on-site during the afternoon or retail staff working very flexible hours, which make work release during work difficult, while attendance during non-contract hours requires that staff be paid (Huddleston and Hirst 2003; Rainbird and Munro 2003).
- High staff turnover among care workers and cleaners due to low rates of pay and unfavourable working conditions has the effect that workers are not at a particular workplace long enough in order to achieve a level 2 NVQ qualification (UNISON 2006a; Walters 2006b).
- Most of the retail sector's training budget is directed towards the legally required training, such as health and safety. A report by Skillsmart (2006b) reveals that there is little gender variation in the training received by men and women working full-time in retail. However, the report does indicate considerable gender variation in training among part-time workers, which is of great significance since three-quarters of the retail sector's part-time jobs are occupied by women (Skillsmart 2006a).

3.1.4 Working time flexibility: long hours, part-time work and work-life balance

The issue of working time has been high on the agenda in the UK for policy-makers, employers, employees and media commentators for several years, at least since the late 1990s. It connects with a range of social, political and economic concerns, including health and safety (and stress), work-life balance, work intensification and decent work.

Long hours

A major factor influencing the ability of workers to balance the responsibilities and duties of work with the pleasures to be enjoyed outside work is the number of hours worked. The share of employees in the UK working very long hours (more than 45 hours per week) is high and this continues to exert a negative pressure on work-life balance. 28.7% of full-time employees usually worked more than 45 hours per week in 2005, and this amounted to 35.0% of male full-time employees and 17.2% of female full-timers. There is thus a gender gap in long hours working but it is not so wide as often supposed. Also, while for male full-timers, the share working long hours fell substantially from 43.2% to 35.0% during 1997-2005, whereas for women the decrease is only modest, from 18.9% to 17.2%. And, although most women who work long hours are in professional or managerial occupations (Kodz et al. 2003) there is a small yet significant share of women employed in low skill jobs who work very long hours.

A long hours culture is damaging, since it acts as an obstacle to women with family responsibilities who wish to make the transition from part-time to full-time work and is likely to hinder career advancement. Research suggests there has been a weakening of the standard

hours-based approach to full-time work in the UK (with the collapse of collective bargaining coverage) towards a results-based definition, where full-time working is whatever is required to complete the allocated tasks or reach a target performance level. Many employers appear to be using time to secure greater effort from workers, either through intensifying work (increasing the mix of active to non-active periods), or prolonging hours of work (Rubery et al. 2005). As the gap between a 'standard' part-time job and a 'standard' full-time job widens, the ability of women to move from part-time to full-time work declines as long working hours become the accepted norm of what is required in a higher level full-time job. Acceptance of long hours full-time positions also reduces the likelihood that employers will open up more high level posts to part-time positions. Thus, we see the forces underpinning the vicious cycle in the UK where many women in part-time jobs accept a more limited career track given the lack of a practical alternative full-time position. That might be one of the most important reasons for the high share of (female) part-timers working below their potential (cf. 3.1.3).

Working time flexibility

Regardless of the total number of hours worked, women working in low-skill jobs face pressures from the flexible scheduling of their hours. From the employers' perspective, there are three main drivers for making hours more flexible:

- the perceived need for employees to be available over a larger share of the seven-day week, day or night to fit with extended opening and operating hours (retail, hotel and catering , elderly care and cleaning);
- the perceived need to match staffing with fluctuations in consumer demand (particularly in retail);
- the reduction of labour costs: Employers may contract workers for a short part-time working week, but regularly require overtime working for which the worker would not be entitled to receive sick pay or holiday pay. Also, the retail sector in the UK is well-known for eliminating many of the pay enhancements for unsocial hours working.

A potential reversal of this national pattern has occurred in the public hospitals sector where the main trade union, Unison, has effectively campaigned against the implementation of new, reduced premium rates for shift working and unsocial hours working as part of a new pay agreement, 'Agenda for Change', that covers many women in low skill jobs, such as cleaners and assistant nurses (cf. Box Best practise 4).

Work-life balance

These growing demands for employer flexibility in the scheduling and length of workers' hours may be potentially offset by other policies that encourage improved work-life balance. Analysis for 2004 reveals two main approaches to enabling employees to fit work with

responsibilities outside work – the provision of extra-statutory leave and child or adult care, and adjustment of working time to fit employees’ needs (rather than the consumers’) (Kersley et al. 2006). Both forms of work-life balance policies were more likely in public sector workplaces than in the private sector. Other employer practices to facilitate a better work-life balance include provision of a workplace nursery or financial help with the cost of childcare. Of all workplaces in the UK in 2004, just 3% provided a workplace nursery and 6% gave financial help with childcare; in terms of the share of employees, 20% worked in workplaces which offered one or both of these forms of assistance (Kersley et al. 2006). In the wholesale and retail sector the share of workplaces offering childcare assistance was as low as 2%.

3.1.5 Job quality for women in low-skill work in UK briefly summarised

- Women are more than twice at risk of low pay than men. Most women workers in low-skill jobs fall outside collective bargaining coverage. There is a high impact of national minimum wage for women: they are the main beneficiaries, especially part-timers. Nevertheless there is a great deal of evidence that pay rates in many of these apparently low skill jobs are inadequate.
- In the selected female-dominated occupations in the targeted sectors reveals a high share of low-skilled workers. But there is also a high share of (female) employees in jobs working below their potential (i.e. four in five part-time workers).
- Workers in female-dominated industries face several constraints to attaining (additional) training ranging from the difficulties of juggling training with family and work commitments to problems of shift work and high staff turnover.
- Although long hours do not directly affect women in low-skill work, the strong long hours culture in the UK does impact negatively upon women’s aspirations for upwards mobility and their opportunities to move from part-time to full-time work. Working time flexibility still primarily supports employers; in particular, women working in low skill jobs experience unstable and flexible scheduling of their hours. Work-life balance policies are more likely in public sector workplaces than in the private sector.

3.2 Germany

3.2.1 Remuneration

The share of low-wage jobs (up to two thirds of the national median hourly wage) has been increasing since 1995 in Germany – depending on the database used, it has now reached up to 20% of all employees (Bosch and Weinkopf 2007). Women are particularly affected. The remuneration of 31% of female employees in Germany is below the low-wage threshold

(compared to only 10% of male employees). Compared to other countries, the gender pay gap in Deutschland is very pronounced. In 2003, women in full-time work earned on average only 78% of male wages. Furthermore, almost half of all female employees work part-time – and in part-time jobs low hourly wages are particularly widespread. Our evaluation for 2004 shows that part-timers have a 21% risk of being paid low wages (compared to 14.6% of full-timers), while the risk for marginal part-time employees is as high as 86%.

In all the target occupations, the share of low wages is well above average (and has been increasing in recent years). Cleaning staff have the highest risk of being low paid (about 9 out of 10 cleaners in hotels are paid below the low pay threshold), followed by housekeepers (86.2%) in hotels. Comparatively low shares of low pay are to be found in retailing, but almost every third cashier is at risk of being low paid.

Minimum wages under debate

The rising and increasingly entrenched share of low-wage workers, the declining importance of regional industry-wide collective agreements (cf. 3.2.2) and the resultant wage competition have triggered an intense debate in Germany, where no statutory minimum wage has existed to date, on the introduction of just such a minimum wage. Supporters and opponents are to be found in (virtually) all quarters. After the subject had been hotly debated within the trade union movement, the unions have now nailed their colours to the mast and come out firmly in support of a statutory minimum wage (€7.50 gross per hour – corresponding to about 50% of mean hourly wages). German employers have traditionally been overwhelmingly against a minimum wage. Nevertheless, the employers' association representing temporary employment agencies and the commercial cleaners' association are two organisations on the employers' side that do support the introduction of an industry-specific minimum wage. This rather surprising position is attributable to the massive problems encountered in implementing collective agreements. Both associations regard a minimum wage as a means of putting an end to the ruinous price competition in their sectors.

Decrease of upward mobility

Moreover, the opportunities for moving out of low-wage work in Germany have decreased – for both sexes. But there is a significant gender difference: Between 1998 and 2003, 34.2% of low-wage workers succeeded in moving up into better paid jobs. Whereas virtually one man in two (50.3%) managed to hurdle the low-wage threshold, only slightly more than one woman in four (27.1%) succeeded in doing so (Bosch and Kalina 2007). One reason for this may very well be the increasing incidence of outsourcing, which in many cases has already affected entire occupations and has therefore reduced the chances of an upwards move to similar but better paid jobs (Bosch and Weinkopf 2007).

3.2.2 Industrial relations system

Declining collective bargaining and union membership

Since the mid-1990s, the German collective bargaining system has become increasingly full of holes. Newly established companies, in particular, mainly in service industries, are no longer becoming members of employers' associations. What are the consequences of this for women in the target occupations? They already benefit less from the German codetermination culture. Generally speaking, union membership among female employees is only half that among men. Only 19.8% of all female employees are union members, compared with 36.1% of their male counterparts (Ebbinghaus, undated) The reasons for these differences are probably attributable essentially to the different sectors in which women tend to be concentrated. The characteristically low penetration rate for collective interest representation in typical female occupations (Stiegler 1999) is also attributable not least to company structures as well. Coverage by collective agreement rises with size of firm (Ellguth and Kohaut 2005) and the sectors under study have a high share of small firms:

- In the hotel sector as well as in retailing, for example, larger establishments that belong to chains are more likely to adhere to collective agreements, while smaller independent firms are often not covered by such agreements.
- In the health and elder and child care sectors, establishments run by local authorities and not-for-profit organisations are much more likely to be covered by collective agreements than privately owned establishments.
- In the commercial cleaning sector, the collective agreement has been generally binding since 2004, although there are massive problems in the industry in actually implementing the agreement.

Under-evaluation of female work

However, even when collective agreements do apply and are also implemented at establishment level, women in typical female occupations are frequently disadvantaged compared with male-dominated industries because the evaluation of female-dominated service work is not free from discrimination, even in collective agreements. Heavy physical work is more highly rewarded in collective agreements than, for example, fine-motor and emotional work. Potentially damaging psychological factors are not taken into account in job evaluations. Moreover, many female-dominated jobs, including the present target occupations, are also associated to a considerable degree with physical exertion and strain (Krell et al. 2001). In female-dominated occupations, however, in contrast to male-dominated occupations, in which at least in the past the greater physical demands constituted an argument in favour of higher wages, this does not lead to increased pay rates. Rather, the

physical demands are used as a justification for reducing working time and hence earnings opportunities, e.g. in cleaning or supermarket checkout jobs (Jaehrling et al. 2006).

As far as the target occupations are concerned, it should also be noted that the evaluation of job or task characteristics ultimately depends on conventional notions of what constitutes skills and what does not. In particular, many women's jobs in social work, nursing and care occupations, such as child and elder care, have no historical tradition as paid work; rather, the services in question were provided by unpaid family members, as they still are in many cases today. Against this background, pay negotiations were and still are conducted at a somewhat lower starting level.

One way of increasing the collective agreement coverage rate even in industries with low trade union density and a multiplicity of small firms is to declare collective agreements generally binding. However, this requires the agreement of the employers' association; furthermore, the firms that are members of the employers' association have to account for at least half of total employment in the sector in question. In the commercial cleaning sector, it has repeatedly been possible in past years to declare the collective agreements generally binding. In the retail trade, on the other hand, there have been no generally binding collective agreements since the year 2000. But even the generally binding pay rates in the commercial cleaning sector do not necessarily protect workers from being paid below the collectively agreed rate. It is known from various case studies in the sector that rates of pay lower than those stipulated in the collective agreement are by no means a rarity, despite the extension of collective agreements to the sector as a whole (Vanselow 2006; Gather et al. 2005).

3.2.3 Vocational training and policies for skill development

The institutional setting in Germany essentially favours the use of trained workers. Around two thirds of young people in Germany complete a vocational training programme in the German 'skill machine' (Culpepper and Finegold 1999). Most of these programmes last three years and the vast majority of them are based primarily in the workplace; in addition, trainees attend a state vocational school. The dual vocational training system is of great importance in Germany and explains why the share of workers in Germany with low levels of formal qualifications is rather low by international standards (cf. Table 5).

In other countries, the expansion of the service sector has led to a decline in the importance of training systems serving the manufacturing sector that were once relatively highly developed; in Germany, however, the vocational training system has gained a strong foothold in the service sector as well. Between 1998 and 2006, more than 60 new occupational profiles were developed as part of the process of creating new occupations, virtually all of them in the service sector (Bosch and Charest 2007).

Vocational training programmes in the female-dominated service occupations:

Vocational training programmes exist even for some of the target occupations, although demand for them in the marketplace is variable. While housekeeping in hotels and interior and maintenance cleaning are indeed semi-skilled occupations for which little formal training is provided, training for the other target occupations is provided within the dual system of apprenticeship:

- In *nursing and care of the elderly*, there is both a three-year training course leading to the qualification of nurse/primary health care worker or nurse for the elderly as well as one-year programmes leading to qualifications such as assistant nurse and assistant nurse for the elderly.
- In *childcare*, there are three to four-year courses leading to the qualification of nursery nurse/preschool teacher and a minimum two-year course leading to the qualification of nursery assistant/preschool teaching assistant.
- In the *retail trade*, there are two basic training programmes, a two-year course leading to the qualification of sales assistant and a three-year course leading to the qualification of trained retail salesman/woman.

These preliminary statements make it clear that many of the target occupations in Germany are firmly established within the training system. Industries such as retailing as well as employers in elder care, health care and (institutional) childcare are now able to recruit from a larger supply of trained and qualified staff.

As already illustrated in Table 5, the share of low-skilled workers in Germany is significantly below the EU-15 – both in the economy as a whole and as regards the target occupations. Cleaning occupations have the highest shares of low-skilled employees, at about 50%. In other occupations, such as retail, home care and the health sector in general, vocational qualifications are of great importance.

As far as childcare is concerned, a distinction has to be made between public day care facilities, the care of school-age children and day care provided by childminders. Whereas the share of qualified nursery nurses and nursery assistants is very high in public day care facilities, it can reasonably be assumed that in the private day care sector the level of specialist qualifications is low or non-existent, or at least they are not a precondition for working in this area.

As in nursing and care of the elderly, the legislature, in drawing up and enacting the *Tagesbetreuungsbaugesetz* (Day Care Development Act) (c.f. 2.3), was seeking not only to raise the volume of all-day childcare available in Germany to the international level but also to improve quality standards. Against this background, training programmes for childminders are now becoming increasingly significant as well. However, the initial findings from an on-going project show that potential childminders tend to be reluctant to undertake

training because of the very low rates of pay (about €2 per child per hour – the exact rates are set by individual local authorities).

This last example illustrates the ambivalence of these political endeavours. On the one hand, high quality standards are laid down, thereby strengthening trends towards a more professional service provision. On the other hand, however, the absolute priority given to keeping costs level or reducing them in the social policy sphere generates massive cost pressures, which frequently confront the actors on the ground with irresolvable dilemmas and tend ultimately to pave the way towards lower standards.

Social recognition

Innovative approaches to improving the image of the target occupations have mainly taken the form of image campaigns intended to strengthen the nursing and care occupations. The results of a major European study, the Nurses' Early Exit Study (NEXT) show that nursing and care staff are faced with an extremely bad image, with 51% of German nurses and care workers assessing their profession's public image as low (Hasselhorn et al. 2005). Given the demographic changes that are taking place and the concomitant increase in the demand for labour, the ministries for social affairs in various *Bundesländer* are working with association representatives in the sector on broadly based campaigns designed to improve the social recognition of these occupations. In conducting publicity campaigns the regional authorities and industry representatives are not only seeking to improve the image of the nursing and care professions but also pursuing the higher professional standards that are being promoted and implemented by the legislature, the social partners and professional associations. However, this objective is being thwarted by the ever greater cost pressures bearing down on social services, which are having a clearly negative effect on pay and working conditions and are ultimately causing lasting damage to the image of these occupations.

3.2.4 Working time flexibility and work-life balance

Working time flexibility

Since women frequently have to shoulder the dual burden of paid work and family responsibilities, they are particularly affected by the requirement for working time flexibility. Consequently, the employment conditions for women in these occupations are to a large extent determined by the demands they make on their ability or willingness to be temporally flexible. One initial indicator is the share of employees doing shift work (with regularly changing working times). The share in the economy as a whole is similar to that for EU-15, but in the various cleaning occupations and personal care, shift work is not half as frequent in Germany as in EU-15. However, the difference is very small for employees in retail, housekeeping and personal care.

Moreover, the share of shift working is only one of the indicators that can be used to evaluate the flexibility requirements characteristic of a particular sector. Thus case studies show that on-call work or split shifts tend to be more the rule than the exception in some of the target occupations (Hieming et al. 2005). Long operating or opening hours and variable work volumes may also be covered by a high share of part-timers, who can be allocated to various time slots over the whole of the operating or opening period. Even if their working hours do not vary, problems can arise for those who have to reconcile paid work with family responsibilities when their allotted working hours fall within those marginal periods when no external childcare can be arranged.

Female part-time work

The part-time rate among female employees in Germany is continuing to rise, from 30.1% to 42.2% in 2004 (¹³). As is already clear from part 1, the rise in the female employment rate in Germany is, to a greater extent than in the other two countries, attributable largely to the increase in part-time jobs. This development is the subject of controversial debate. There is no space here to discuss part-time work for women in general but part-time employment is definitely problematic when it is not voluntarily chosen, since it forces part-time workers (who are overwhelmingly female) into an unwelcome life of economic dependency and primary responsibility for domestic work (Fagan et al. 2006). The share of part-timers who would like to work longer hours is highest in Germany. In the economy as a whole, more than a quarter of female and male part-timers would like to increase their working hours.

With the exception of personal care occupations, the part-time shares in the target occupations are even (sometimes substantially) higher (cf. Table 8). The most dissatisfied with their working hours are cleaning personnel, with more than 34% wanting to work longer hours. In several occupations it can reasonably be assumed that this is attributable largely to the massive increase in marginal part-time employment (Kalina and Voss-Dahm 2005; Koch and Bäcker 2004; Voss-Dahm 2005). So-called ‘mini-jobs’ (with monthly earnings of up to €400) are predominantly concentrated in the service sector. In 2003, almost a quarter of all workers in the retail sector were employed in mini-jobs, while in hotels and restaurants the figure was even higher, at more than a third of all employees. However, it is in cleaning that mini-jobs constitute by far the dominant employment form. In this sector, more than half of all employees are mini-jobbers. One in four of all mini-jobbers would like to increase the number of their working hours (Infratest Sozialforschung 2003; Fertig et al. 2005).

Against a background of mass unemployment, involuntary part-time working is likely to be further increased by workers opting for part-time jobs or even mini-jobs in preference to

¹³ There are significant differences in this regard between East and West Germany. Whereas only 27.8% of female employees in East Germany work part-time, the female part-time rate in West Germany is 45.3% (Deutsches Jugend Institut and Statistisches Bundesamt 2005).

unemployment when employers announce reductions in the volume of hours to be worked, as is often the case in cleaning and retailing (Jaehrling et al. 2006).

Furthermore, part-time work and, particularly, marginal part-time employment frequently go hand in hand with less favourable employment conditions. These include, firstly, the reduced earnings opportunities, which are attributable not only to the lower number of hours worked but also to the fact that mini-jobbers are frequently illegally paid lower hourly rates than their full-time counterparts. Moreover, this group frequently receive neither annual special payments, such as Christmas bonuses, nor holiday or sick pay (Koch and Bäcker 2004; Kalina and Weinkopf 2006).

Work-life balance

In the German environment as described, and particularly because of the structural deficit in childcare provision, work-life arrangements are still unbalanced, although the new financial support from the federal government for the expansion of childcare facilities for the under 3s might bring about some improvement (cf. 1.3). The situation is made even more difficult by the fact that, despite considerable political commitment to promoting family-friendly working arrangements, there has so far been little success in creating a favourable climate at workplace level in Germany (or in persuading men to become more involved in child care).

The parties to collective bargaining can also help to promote gender equality by ensuring that collective agreements are drafted in such a way as to eliminate discrimination and that arrangements are put in place to facilitate the reconciliation of paid work and family life. Many collective agreements do contain provisions intended to promote both the reconciliation of paid work and family life and equality of opportunities for men and women. Of the sectors with which we are concerned here, the retail trade should be singled out for mention. Various regional collective agreements in this sector include, for example, aspirational target provisions stating that part-timers should be given preference when full-time vacancies or part-time vacancies with longer working hours are being filled. Another collective agreement contains provisions protecting employees with children from having to work after 6.30 p.m. or doing regular Saturday work or overtime if this would not be reasonable for family reasons.

3.2.5 Job quality for women in low-skill work in Germany briefly summarised

- Women are much more likely to be affected by low wages than men (the risk of low pay is three times higher). Part-timers and particularly those working very short hours (mini-jobbers) who are predominantly women, have a risk as high as 86% of being low-paid. In almost all target occupations, the proportion of low pay is far above average.
- Union membership among female employees is only half that among men. But even when collective agreements do apply and are also implemented at establishment level, women in typical female occupations are frequently disadvantaged compared with male-dominated

industries because the evaluation of female-dominated service work is not free from discrimination even in collective agreements.

- Housekeeping and cleaning are indeed semi-skilled occupations. However, none of the other target occupations can in any way be regarded as ‘low skill’ and vocational training programmes exist for all of them (except private child care). Legal requirements in child and elderly care strengthen the demand for skilled workers. On the other hand, however, cost pressures could trigger a decline in professional standards.
- The employment conditions for women in these occupations are to a large extent determined by the usually high demands on their ability to be temporally flexible. The share of involuntary part-time working is the highest in Germany. Part-time work and, particularly, marginal part-time employment frequently go hand in hand with less favourable employment conditions.

3.3 Czech Republic

3.3.1 Remuneration

The wages of low-skilled employees are significantly lower than the average wage in the Czech Republic. As Table 13 shows, workers with primary education only earn only 60% of the average wage. Workers with secondary education but without a secondary school-leaving certificate earn about 75% of the average wage. There is a difference in wage levels between the public and private sectors; for low-skilled workers in the state sector, wages are about 20% lower than in the private sector. The wage distribution shows that there is a broad range of hourly wages for low-skill work. At least 10% of workers with primary education have earnings equivalent to the minimum hourly wage, which in 2005 was 42.5 CZK. For workers with secondary education but no school-leaving certificate, wages are slightly higher, but at least 10% have earnings only just above the level of the minimum wage.

Table 13: Hourly wages (in CZK) by educational level

Educational level	State sector			Private sector		
	Mean	1st decile	9 th decile	Mean	1st decile	9 th decile
Primary	65.5	45.8	90.8	79.7	47.8	118.5
Secondary without certificate	79.9	51.1	113.6	94.7	54.7	139.6
Secondary with certificate	117.3	78.3	160.0	129.6	65.2	199.5
Higher	156.6	105.2	222.0	245.5	100.4	426.1
All levels	118.5	62.2	173.8	120.7	56.7	190.0

Source: Information System on Average Wages, 2005.

Wages in our selected occupations with high shares of female employees are also lower than the average wage in the Czech Republic.

- Qualified nurses and pre-primary teachers earn the highest wages, about 80% of the average wage.
- Personal care workers earn about 70% of the average wage.
- The lowest paid are housekeeping and restaurant workers, sales clerks and domestic helpers and cleaners, who earn only about 60% of the average wage. The distribution of wages shows that at least 10% of the workers in this last group of occupations earn the minimum wage of about 42.5 CZK per hour.

According to Kala and Novotny (2003), there are no significant differences between men's earnings and those of women in the low-skill occupations. The authors show that those that do exist can be explained by their distribution among the various occupations. If the wages of men and women working in the same occupations and with similar levels of education are compared, the wage gap is only about 2%. In some low-skill occupations women actually receive higher wages than men. Thus in the low-skill occupations there is no discrimination against women.

National minimum wage and collectively agreed wages

Different rules apply to wage setting in the private and public sectors. In the public sector, wages are defined by law and they cannot be lower than the level corresponding to a worker's education and years of experience; in the private sector, wages are restricted only by the minimum wage.

The national minimum wage from January 2007 is set at 8,000 CZK per month or 48.1 CZK per hour (corresponding to around 40% of mean wages). For certain categories of workers the law sets reduced rates for the minimum wage. These categories are:

- employees aged 18-21 during the period shorter than 6 month from the beginning of the work (90% of the minimum wage applies to this category);
- employees aged 18-21 (80% of the minimum wage).

The minimum wage is adjusted every six months. According to the Ministry of Labour and Social Affairs, only about 2% of workers receive the minimum wage. However, in some of the low-skill occupations this share reaches as much as 10%. The national minimum wage has increased by about 15% since 2005 and this is expected to have a positive impact on a higher share of low-skilled workers.

Minimum wage rates in the private sector can be set by individual collective agreements at the company level or in collective agreements negotiated at a higher level (Kolektivní Smlouva Vyššího Stupně, KSVS). According to the Working Conditions Information System (Informační Systém o Pracovních Podmínkách 2005), the minimum wage negotiated in collective agreements in 2005 was 7,700 CZK per month, which is 7% higher than the official

minimum wage. In 2006 the minimum wage negotiated in collective agreements was 8,274 CZK, which is about 10% higher than the statutory minimum wage. According to the law, the minimum wage includes all premium payments a worker receives, with exception of those paid for overtime and weekend and night work.

Compensation for unsocial hours

In law, overtime must be remunerated with a 25% increase in the hourly wage. If an employee works overtime at the weekend, then the hourly wage is increased by 50%. The compensation for overtime is not paid if the employer gives an employee extra days off in lieu. The extra days off should be given within three months of the overtime worked; otherwise, the employer must pay the compensation. In the case of nurses doing emergency service work, the compensation is a 20% increase in the hourly wage.

3.3.2 Industrial relations system

Trade unions and employer organizations engage in social dialogue at national as well as at enterprise level. At the national level, the social dialogue is conducted within the Rada hospodářské a sociální dohody (Council for Economic and Social Agreement), which is a tripartite institution that includes representatives of trade unions, employer organizations and the government. The council started its work in 1991, and its aim is to reach consensus on the questions of working conditions, safety at work, wages and human resource development. The social dialogue at national level plays a part in shaping the social dialogue between trade unions and employer organizations in individual sectors of the economy. Government does not participate at this lower level. In contrast to the national level, social dialogue at this level takes place within a legislative framework. The *Zákoník práce* (Labour Code) lays down a legal basis for negotiating collective agreements at the enterprise level.

These collective agreements can be signed between one or more trade unions on one side and one or more employers or employers' organizations on the other side. However, there is no provision in the legislation for collective agreement at industry level. Thus a collective agreement cannot apply to all firms in a given industry. Rather, the collective agreements apply to single firms or to several firms within an industry. Thus, contrary to Western European countries, social dialogue in the Czech Republic takes place at national and enterprise level but is not highly developed at the industry level.

Declining rates of union representation and collective bargaining

Since 1990, the number of employers that recognise trade unions and the number of collective agreements signed have been declining. One of the reasons for this is that trade unions have a presence mainly in old enterprises, while newly created companies usual lack the employee representative organizations required to conduct social dialogue. Another reason

is that employers often oppose the establishment of trade union branches. In some cases, the effect of collective agreements is weakened because there is no system to monitor implementation. The situation with wages regulated by collective agreements is also alarming. The number of workers paid collectively agreed wage rates is constantly declining (Kroupa et al. 2004).

Industrial relations in low-skill occupations

According to the 'Trade unions 2003' survey, the aim of which was to map worker participation in the trade unions, the degree of participation is significantly lower for workers with low educational levels than for workers with higher educational levels. Only 20% of workers with primary education only and 35% of workers with secondary education but no school-leaving certificate take part in union activity; in comparison, 60% of workers with higher education do. The survey also showed that the service sector, including retail, hotels and catering, health and social work, have less trade union activity than other sectors. It was found that personal service workers and salespersons have a 50% lower probability of being a trade union member than workers in other occupations. Another factor explaining worker participation is differences in work schedules. Employees with irregular working hours have a 65% lower probability of participation in trade unions than employees with regular work schedules.

It is clear from the interview with key trade union representatives in the retail and hotel sectors that the trade unions have only limited opportunities to influence the quality of low-skill jobs. One of the reasons is that employees in retail very often do not participate in trade unions. These employees are often not aware of how they might protect their rights. In many cases, they are afraid of losing their jobs, so they simply accept the low pay on offer. The trade unions are associated in people's minds with the previous socialist system, which is one of the reasons why the younger generations are rejecting them.

Trade union leaders confirm that coverage by collective agreements is low. The higher level collective agreement in the retail trade covers only those companies that are members of the *Odborový svaz pracovníků obchodu* (OSPO - Confederation of Trade Unions in Retail). There are about 3000 retail companies, however, of which only a few, predominantly the big ones, are members of OSPO. The collective agreement signed by OSPO does not include employers with fewer than 20 employees.

The higher level collective agreement in the retail trade regulates all aspects of work: wages, working time and paid leave. An example of a good collective agreement can be found in the chain stores Makro and Globus. In some cases, when an employer does not want to sign a collective agreement, trade unions resort to protest actions and strikes. For example, there was a strike in the Sconto chain stores. These strikes are, however, very rare. Companies that do not have a collective agreement include Kaufland, Plus, Penny, Kika and Billa.

3.3.3 Vocational training and policies for skill development

The target low-skill occupations have high shares of workers with secondary education only. In some of the occupations, there is also high share of workers with primary education only:

- Nurses and pre-primary teachers have higher educational levels than workers in the other low-skill occupations. More than 90% of them have a secondary school-leaving certificate or a higher education qualification.
- The second group includes client information clerks, housekeeping and restaurant service workers, as well as personal care and related workers. This group is less well educated than the previous one. Most of the employees in this group have only secondary education, with or without a secondary school-leaving certificate.
- The third group includes sales clerks and domestic helpers/cleaners. This group is characterized by a high share of workers with primary education only.

Analysis of the European Labour Force Survey data shows that people with primary education only are usually older people, and their share is declining. At present almost all children receive secondary education; therefore, the share of people with primary education only is constantly declining.

Policies for skill development

In 2003 the Czech Statistical Office conducted a survey aimed at collecting information about workers' participation in different kinds of education and training (formal and vocational) during a 12-month period (Czech Statistical Office 2003). It was found that on average 34% of workers participated in some form of education or training; however, the share was much lower in hotel and catering (22%) and in the retail trade (30%). Remarkably, participation is fairly evenly balanced between men and women in the economy as a whole, but the participation rate for women in each of the selected industries was far lower. In the hotel and catering sector, 25% of men participated in education or training, compared with only 19% of women. In retailing, the rates were 34% for men and 25% for women.

The Continuing Vocational Training Survey (CVTS), conducted in 1999, showed that in the retail, hotel and catering industries, the share of companies that provide training for their workers is only 50%. In comparison, in the financial services industry it is over 80%. This shows that there are significant differences in the provision of training by sector. These differences are caused not only by differences in companies' willingness to provide training but also by differences in innovation level and the legislation on obligatory training. The survey also found that bigger companies provide more training than small ones. This can be one of the reasons why in the retail, hotel and catering industries, which are made up largely of small companies, the provision of training is low.

The *Zákoník práce* (labour code) is the main law regulating employer-employee relations. It obliges employers to provide training to a worker who is due to start a job but does not have the required qualifications. Sufficient training is provided to enable the worker to carry out the work in question. After the training period, the employer is obliged to give the worker a certificate confirming completion of the training. The employer is also required to provide training when a worker switches to another type of work, particularly during company restructuring or changes in work organization. Employers are allowed to reduce employees' work-load or to give financial assistance to those seeking to gain additional qualifications. In addition, section 144 of the *Zákoník práce* obliges employers to provide practical training to all school-leavers they might recruit in order to assist their professional development.

The government has declared its commitment to raising educational levels among low-skilled workers. The National Action Plan for Employment for the years 2004-2006 describes several measures the government is undertaking in this respect, together with social the partners, including the biggest trade union confederation, *Českomoravská konfederace odborových svazů* (ČMKOS- Czech-Moravian Confederation of Trade Unions). Within the framework of the collective bargaining system, the government and the social partners are making an effort to negotiate better conditions for life-long learning, which is necessary in order to raise workers' skill levels. For workers with primary education only, the *Ministerstvo práce a sociálních věcí* (Ministry of Labour and Social Affairs) has developed catch-up courses leading to the award of a vocational training certificate. In this connection, the government passed legislation in 2005 on the assessment and ratification of further education and training, which provides for participants to receive official confirmation of the educational level achieved on the catch-up courses (Czech-Moravian Confederation of Trade Unions 2005).

3.3.4 Working time flexibility

Part-time work

Part-time work is not widespread in the Czech Republic. The share of part-time workers in all occupations is only about 5%. However, in some of the target low-skill occupations this share is significantly higher (cf. Table 8). Among sales clerks and domestic helpers/cleaners the share of part-time workers is as high as 20 to 30%. The reason for the overall low share of part-time workers is that companies prefer to take one person full-time rather than several people part-time, since then they have less trouble with legal issues, such as social and health insurance payments. The part-time rate is high among domestic helpers and cleaners because companies often need these workers only for morning or evening work.

In general terms, the most important reasons for working part-time are health problems (20%), childcare responsibilities (18%) and difficulty in finding a full-time job (16%). However, the picture in the target occupations is somewhat different. Involuntary part-time

work is much more widespread in housekeeping, cleaning occupations and personal care, whereas health reasons are more widespread in retailing.

Shift work and unsocial hours

In the selected low-skill occupations, the share of shift work and working at unsocial hours is sometimes significantly higher than in the economy as a whole. Between 41 and 50% of employees in housekeeping, personal care and sales work shifts. Weekend working is very widespread in retail and personal care.

Work-life balance

In 2005 RILSA, in cooperation with Czech Statistical Office, conducted a survey on employees' work-life balance (Kuchařová 2005). The survey asked companies about gender composition, type of work contract, availability of vacation and parental leave and the benefits provided to employees. In total 2,200 companies participated in the survey. There were 288 companies from the retail, hotel and catering sectors, employing a total of about 80,000 workers.

The survey found that as much as 28% of workers in the retail, hotel and catering sectors were working part-time, which is a much higher share than the labour force study data suggest. Half of these workers had a work load higher than 75% of the normal full-time load, while half had a load lower than 75%. The share of part-time work for women is higher than for men. Whereas 'long-hours' part-time work (75% of normal full-time load) affects 15% of female and 11% of male employees, the gender differences are more marked in part-time jobs with shorter working times (17% of women and 8% of men).

The survey also showed that only 4% of employees in the retail, hotel and catering sectors work flexitime, which enables them to choose when they start and finish work. About 23% of workers have irregular working hours, which may involve working 10 hours a day on 4 days a week, for example. Job sharing and home working are not features of these industries. About 25% of workers work shifts. Table 14 shows the differences in work arrangements between the retail, hotel and catering industries and the economy as a whole.

Table 14: Arrangement of working time in the retail, hotel and catering industries

Industry	Working-time arrangement				
	Flexitime	Irregular working hours	Job sharing	Working from home	Shift work
Retail, hotels and catering	4%	23%	0.2%	0%	25%
All industries	12%	8%	0.2%	0.2%	31%

Source: Czech statistical office survey, 2005.

According to the survey, the share of workers in retail, hotel and catering who were allowed to take leave from work in 2005 in order to take care of family members was 16%, which is

even higher than the national average of 14%. However, the duration of such leaves was three times shorter than the average for the economy as a whole. It was found that, in the retail, hotel and catering sectors, women who returned to the same employer were more likely to be offered part-time work than those in other industries. It was found that a lower than average share of companies in the retail, hotel and catering industries provides workers with various forms of benefits. Only 11% of companies in these sectors provide training courses for women on parental leave, while 31% of companies allowed workers to combine parental leave and part-time work.

3.3.5 Job quality for women in low-skill work in the Czech Republic briefly summarised

- Wages in female-dominated low-skill occupations are relatively low and the share of employees paid at the level of the national minimum wage is higher than in the economy as a whole. However, according to a recent national study, there are no significant pay differentials between men and women in low-skill occupations.
- Union membership and collective bargaining are declining in all industries and the rates are particularly low in service industries and low-skill occupations.
- The shares of employees participating in some kind of education or training are comparatively low in the industries under study and women's involvement is even lower.
- Although part-time rates in the Czech Republic are very low compared to the other countries, they are much higher in some low-skill occupations. Moreover, low-skill occupations have above-average shares of shift work and working at unsocial hours. When it comes to the availability of paid leave and financial support for childcare, low-skill jobs are still lagging behind.

4 Job quality in female low-skill work: trends and best practices

The analyses in part 2 showed that the greatest increases in employment between 1995 and 2005, both generally and for women specifically, were recorded in the high-skill segment (cf. Table 4). Increases in the low-skill segment were considerably lower and in some cases (in CZ and DE) employment in that segment actually declined. The only exception in this regard was the UK, where the growth in women's employment in the low-skill segment was actually disproportionately high. At the industry and occupation level, the evolution of women's employment took a different course in the various countries. In some cases, increases in employment are also attributable to a redistribution of the volume of work among more people (as a result of a sharp increase in part-time work).

The country reviews presented in part 3 make it clear that low-skill jobs, which tend to be female-dominated, frequently go hand in hand with low pay, unfavourable working and employment conditions and limited prospects for career development (due also to limited opportunities for further vocational training). Women's participation in the labour market on an equal basis with men is further complicated by the fact that, in many cases, they are solely or at least principally responsible for the reconciliation of paid work and family life.

As already noted in the introduction, statistical analyses of this tell us nothing about developments in household-related services in the narrower sense, which are often seen as offering considerable employment potential for low-skilled women. The starting points for improving social recognition and job quality, which are identified by examining best practices in the three countries, concern both the occupations analysed and new fields of activity yet to be fully opened up. They are divided up on the basis of the four core aspects of job quality used in part 3 and the two additional dimensions of social recognition and labour market policies.

Information on the examples of good practice outlined here has been taken from studies, publications and interviews with stakeholders from politics, the trade unions, other institutions and companies - some of them carried out in the course of this study, others as part of other research projects. One general impression gained from the interviews is that, although there are positive initiatives and measures in many areas, the chances of really achieving lasting improvements to job quality and social recognition for women in low-skill work are generally assessed as being fairly low. In Germany, for example, this is because the political priorities in the lower part of the skill spectrum are focused explicitly on creating more jobs; increasing job quality is not part of the agenda. The same applies to the policy of increasing low-wage work that forms part of the European Employment Strategy. From a gender perspective, such an approach brings with it the risk that women's existing disadvantages (e.g. gender pay gaps, segregation, fewer working hours) will tend to be reinforced rather than reduced.

4.1 Remuneration

The gender pay gap (based on average hourly pay for full-time and part-time employees) in all three countries is considerably greater than the EU 25 average of 15% in 2004 (European Commission 2006). Indeed, Germany and the UK, where the gender pay gap is significantly higher than 20%, are actually among the countries at the bottom of the EU league in this regard ⁽¹⁴⁾. This is due, among other things, to the fact that wages in the industries and occupations in which many women are employed are frequently particularly low. To further exacerbate the situation, women in all three countries are much more likely than men to work part-time (although in the Czech Republic part-time rates are considerably lower) and, in addition, the part-time rates in many low-skill occupations are higher than average. However, the combination of low hourly pay rates and short working times make it very difficult to earn a living wage. Nevertheless, given the inadequacies in the childcare infrastructure, part-time employment is frequently the only option for women with dependent children wishing to do at least some paid work. We examine the ambivalence of part-time work more closely in section 4.4.

Against this background, strategies for improving the income situation of women in low-skill work must seek to exert influence on both pay and working time. We see both a need and an opportunity for action in the following areas in particular:

- *the introduction and/or raising of statutory minimum wages* : As has become clear from the example of the UK (3.1.1), women, particularly those working part-time, have benefited especially from the introduction, and subsequent raising of the statutory minimum wage in recent years.
- *higher valuation of typical female-dominated occupations*: The valuation of typical female occupations (both in absolute terms and relative to comparable male-dominated low-skill occupations) is a key mechanism for improving women's income position. One example of an initiative that has actually led to improvements is the Agenda for Change in public hospitals in the UK (cf. best practice 4). Another example, from the health service in Germany, is targeted more at strengthening the social recognition and self-esteem of health service workers (cf. best practice 11).
- *the protection of collectively agreed standards*: It has become clear from the German example that there is currently a need to safeguard existing collectively agreed standards, which are being endangered by, for example, the outsourcing of activities to areas not covered by collective agreements or with lower collectively agreed wage rates. In addition to a minimum wage, measures are needed to encourage compliance with collectively agreed standards (cf. best practices 1 and 6). However, as the second example, drawn from the

¹⁴ According to other calculations, the gender wage gaps are actually considerably greater, cf., for example, Plantenga 2006.

Czech retail trade, shows, companies themselves may be concerned to adhere to high standards in order to recruit and retain employees and thus be successful in their market.

Best practice 1: Providing equitable terms and conditions for outsourced workers (UK)

This example refers to a hospital that is located in an inner city area with high levels of deprivation. In 1998 it signed a 35-year private finance initiative agreement with a consortium of private sector firms to construct new buildings and provide estates maintenance, cleaning and catering services. Around 1,000 ancillary staff were outsourced to the cleaning/catering firm, a French-owned multinational business services firm.

Although staff transferred to the private company enjoyed some protection of pay and conditions under the transfer of undertakings (TUPE) legislation, new employees hired by the private company were on inferior pay and conditions, which effectively created a 'two-tier' workforce between new recruits and those transferred from, or working directly for the National Health Service Managers at the hospital found fault with what the HR director referred to as 'the ethics of employment' practised by the private contractor firm and argued for the extension of Agenda for Change, the new national pay scales, to private sector staff, including cleaners, working on-site, or at the least for the payment of 'reasonable rates for their people' (HR director). Unison was also arguing strongly for this. A long trade union campaign during the 1990s and early 2000s successfully brought to the public's attention the inequities of a 'two-tier workforce' among private sector workers providing ancillary services to the country's public hospitals. The private firm was requesting additional monies (some £1.8 million) to cover the increased costs. The hospital's chief executive began talks with the chair of the consortium body.

The Department of Health finally acted in October 2005 and ordered that most workers, including cleaners, ought to be entitled to 'terms and conditions no less favourable' than the collectively bargained national pay structure for public sector workers (that is, Agenda for Change). This formed part of a broader policy approach, the so-called 'two-tier code', for public services and represents something like a new national wage extension agreement. With this new code cleaners with protected terms and conditions following staff transfer experienced the same change in pay as other cleaners employed in-house. Moreover, cleaners who had been newly recruited by the private sector firm enjoyed a considerable improvement, not only in the basic rate of pay, but also in holiday entitlement, unsocial hours premia and sick pay. This shows how trade union campaigns and a government willing to act (albeit with a long delay) can provide a real impetus for improved conditions for low wage work.

Best practice 2 : Makro Cash and Carry ČR (CZ)

The company Makro Cash and Carry ČR is a member of the German Metro group. It has been operating in the Czech Republic since 1998 and at present has twelve supermarkets, which employ about 3,500 workers. The average wage is about 17,500 CZK, which is close to the average wage in the Czech Republic and is the highest among supermarkets. The company is open to social dialogue and has a collective agreement that can be used as an example for other companies. The management of the company sees employee satisfaction with working conditions and remuneration as the main factor in the company's success. The company clearly states that workers who join the trade union will not suffer discrimination in any way. The company does not seek to restrict trade union activity and adopts an objective position in the social dialogue as well as providing all the necessary information about its activities and plans.

- *Abolition of discrimination against part-timers:* Part-timers are frequently treated less favourably than full-timers. This applies, for example, to pay, bonuses and other special payments, holiday entitlement, sick pay, access to further training and promotion opportunities, etc. In Germany, financial disadvantaging of part-timers is prohibited by law, although it has to be said, by way of qualification, that the implementation of the legislation leaves something to be desired, particularly as far as marginal part-time work is concerned.

Best practice 3: The legal prohibition of discrimination against part-timers (DE)

The German *Teilzeit- und Befristungsgesetz* (Part-Time and Temporary Employment Act) of 2001 is one measure that seeks to reduce discrimination against part-time workers. The Act stipulates that part-timers and full-timers should be accorded equal treatment and therefore clearly prohibits the withholding of statutory holiday entitlements and the failure to pay wages in the event of sickness.

- *Creating opportunities for longer part-time or full-time work:* There are various points of attack in any attempt to help women increase their working hours, e.g. improvements to childcare provision (4.4), the elimination of incentives to work short hours (such as the mini-job regulations in Germany) and regulations, enshrined in company agreements, industry-level collective agreements or statute, that offer part-timers opportunities to work more hours or to return to full-time work (cf., for example, the regulations laid down in the collective agreement covering the German retail trade mentioned in 3.2.4 above).

4.2 Industrial relations

Typically, women work mainly in industries and occupations in which trade unions, collective agreements and works councils tend to be the exception rather than the rule. This is also due to the fact that women are more likely than men to be employed in the service sector and in small firms.

The public sector has traditionally offered relatively good opportunities for achieving better working conditions and equitable pay, as is also indicated by the example of ‘Agenda for Change’ in the UK. However, the second example from the Czech Republic shows that there are also positive examples in the private sector as well.

Best practice 4: New pay agreement ‘Agenda for Change’ (UK)

The example of public sector hospital workers is perhaps a ‘best practice’ case of improved employment conditions through partnership industrial relations. A new pay agreement, ‘Agenda for Change’, and an accompanying structure for skill development and career progression, the ‘Knowledge Skills Framework’, were implemented in 2005 and represent a concerted effort to modernise the pay and employment structure in the National Health Service (NHS). At the core of the new pay agreement and the underpinning job evaluation is the principle of ‘equal pay for work of equal value’, with the aim of establishing a gender neutral evaluation of the skills, knowledge and effort applied in a range of job. The closely linked ‘Knowledge Skills Framework’ seeks to build links between each individual’s development, their accumulation of job responsibilities as they progress up the career ladder and advancement of pay.

A further particularly notable feature of the new pay agreement is that it extends to not only the employees in the National Health Service, but also temporary agency nurses employed by a new national not-for-profit agency (NHSProfessionals) and workers employed in private sector firms contracted to provide services to public sector hospitals. The latter group of workers are protected under the so-called ‘two-tier code’, which requires private sector employers to provide terms and conditions of employment ‘as favourable’ as those established in the NHS collective bargaining pay agreement. As this was only fully implemented in October 2006 it is too early to assess how effective the new code is, or the extent to which it can be defended against employers unwilling to pay when tested in court.

Best practice 5: Collective agreements at Orea hotels a.s. (CZ)

The company was founded in 1992; it owns 35 hotels in the Czech Republic and employs about 1,500 workers. In 2006, the company signed a collective agreement with the trade union, as it had in previous years. The collective agreement guarantees workers many benefits over and above the standard obligations placed on employers. For example, wages are expected to grow by at least 3% and, depending on the company’s economic performance, the growth may be even higher. In 2005, wages increased by 10.4% and in 2004 by 8.1%. The additional benefits stipulated in the collective agreement include contributions to the pension plan, the provision of leisure facilities for workers and their children, big discounts on accommodation in the company’s hotels, premium payments on employees’ birthdays and financial contributions to the trade union. Saturday, Sunday and night work attract extra payments above the level stipulated in law. The minimum wage rates have also been increased above the level required by law.

In Germany, on the other hand, collectively agreed standards have deteriorated in recent years even in the public sector; new low pay grades have been introduced, with low-skill occupations, in which many women are employed, being particularly badly affected (Jaehrling 2007). The background to the German example is the efforts that have been made to curb the rush to outsource low-skill functions to sectors without collective agreements or with low collectively agreed wage rates, a practice that is particularly widespread in Germany. It is clear from this that industrial relations are in some cases closely linked to the remuneration issue and that a country’s economic situation influences the possible courses of action available to trade unions and works councils.

Best Practice 6: *Tariftreue-Erklärungen* and monitoring (DE)

One way of improving the implementation of collective agreements, despite a lack of workplace representative bodies, is for contract-awarding bodies to insist that contractors undertake to adhere to collectively agreed standards. Such undertakings are known in German as '*Tariftreue-Erklärungen*', or declarations of observance of collectively agreed wages and conditions. However, even this instrument is of only limited effectiveness in practice as long as the public bodies awarding contracts continue to favour the cheapest bidders, as appears to be frequently the case with cleaning contracts, for example (Gather et al. 2005). Moreover, proper monitoring is required if it is to be effective.

One innovative approach in this area involved a time-limited and now lapsed initiative at local authority level, in which the social partners concluded a collective agreement establishing a monitoring body to which employees could appeal if the generally binding collective agreement for the commercial cleaning sector was infringed and which would support them in their request for payment of the outstanding wages due. Furthermore, the monitoring body assumed responsibility, on behalf of the local authority, for inspecting companies that had declared their intention to observe the collectively agreed standards.

However, there is also scope in other areas for trade unions and works councils to take action to improve the working conditions of women in low-skill work. This applies, for example, to initiatives that seek

- *to increase their participation in further training programmes*, which can also help to facilitate a move to better paid jobs;
- *to improve part-timers' opportunities to extend their working time* (or, conversely, to improve full-timers' opportunities to switch temporarily to part-time work in order to care for children or elderly relatives);
- *to facilitate the reconciliation of family and working life*; e.g. by providing workplace childcare facilities, taking account of employees' working time preferences in drawing up shift schedules or putting in place special working-time arrangements for single parents.

Since these points of attack relate to the themes of vocational training and work-life balance, we will examine them in greater detail in 4.3 and 4.4 below.

4.3 Vocational training and skill development

As is clear from part 2, the greatest employment growth across the EU as a whole as well as in Germany and the Czech Republic has been in high-skill occupations. This suggests that measures to increase women's employment should involve all skill levels. To concentrate solely or primarily on the low-skill segment seems to hold out little hope of success, particularly since this would mean that women would continue to be relegated, possibly even more than at present, to low-paid occupations with unfavourable working and employment conditions.

Over and above these basic requirements, however, there remains the question of how to give women in low-skill occupations better access to vocational training and skill development. Points of departure are to be found particularly in the following areas:

- *Inclusion of women in low-skill occupations in further training programmes at company or industry level:* such programmes could be provided expressly for this group, which is typically underrepresented in further training, or women in the target group could be offered places on more broadly based programmes. The following two examples from the care sector in the UK and a hospital in the Czech Republic illustrate how such initiatives can be organised at industry or establishment level. In both cases, the measures were supported by EU funding.

Best practice 7: Efforts to improve local skills by the Tyne and Wear Care Alliance (UK)

As the elderly care sector in the UK is dominated by independent and frequently small sector employers with high levels of staff turnover, a particular problem is training provision. National targets have been introduced for carer qualifications, with 50% of all staff required to hold an NVQ Level 2. Independent providers are monitored by the national regulatory body – the Commission for Social Care Inspection. Evidence suggests that, nationally, qualification targets are not being met, with 72% of residential and 69% of domiciliary care providers meeting the targets (Sheffield Chamber of Commerce and Industry 2006).

In the North East of England, the Tyne and Wear Care Alliance was co-financed between December 2003 and December 2006 by the European Social Fund and the Learning and Skills Council. Over £6 million was invested in the Alliance, hosted by Sunderland City Council. The Alliance is an ‘employer-led’ organisation with 650 members – all of which are independent (non-state) residential and domiciliary providers. The main aim of the Alliance is to support workforce development and the supply of learning within the elderly care sector.

The Alliance provides free training to the independent providers. The providers pay staff for their time while they are undertaking training, but they do not have to pay for the costs of the training. For the NVQs, most training takes place in the workplace, with assessors evaluating staff performance. There are also some mandatory courses and short courses that take place away from the workplace. Employers are required to pay £15 toward the cost of these courses, and 97% of staff with places attend. The Alliance assists employers to identify staff training needs, and aims to provide training packages that meet employer and inspection requirements, such that the supply of learning has become ‘demand-led’. The Alliance acts as a broker, commissioning training from various training organisations. In the early years of the Alliance, employers were paid a grant to purchase their own training, but the subsequent centralisation of commissioning with the Alliance is seen to have improved the consistency and quality of provision. Employers are keen to take up the opportunity to put staff through free training, partly due to the pressure on them to meet national NVQ targets, but the Alliance has no power to make participation compulsory. The Alliance has also established local networks of independent providers, and employers are encouraged to take part in these meetings to share best practice and make their voices heard. Care staff who are engaged in training have a retention rate of 84%, compared to the national average for the sector of 48%. In independent evaluations, most staff undertaking NVQ Level 2 qualifications were found to have a positive experience (76.5%). The Alliance has identified a need for nearly 4,000 qualifications in the area, and by the end of March 2007 will have provided training to meet 75% of this need. The Alliance is seeking funding so as to meet the remaining qualification needs in the region.

Best practice 8: the ‘Strengthening and Development of the Employees’ Human Capital’ training programme (CZ)

The main goal of the programme organized by the hospital in Most is to increase the quality of medical care and the hospital’s competitiveness. The programme focuses on raising employees’ qualificational levels. It includes training courses for medical as well as for non-medical employees. For non-medical workers, including nursing professionals, there are two courses: “Basal Stimulation” and “Communication Skills”. The hospital decided to provide this training since nursing work is constantly developing as new nursing methods are implemented and relations and communications with patients are improved. With financial support from the European Social Fund (ESF), the hospital established a new educational centre, which was necessary for realization of the project. This centre will be used afterwards for similar employee training courses. The aim of the Basal Stimulation course is to teach the professional and practical skills required to respond adequately to and fulfil the needs of patients who, for various reasons, have impaired mobility and/or communication and cognitive abilities. The aim of the Communication Skills course is to improve nursing care by giving staff the skills required to communicate professionally with patients. The course also gives staff the presentation skills necessary to communicate professional information at conferences and seminars. Thus the hospital is seeing to improve its employees’ communication skills, which are the most important element in patient relations.

- *Provision of flexible further training programmes, particularly for part-timers and shift workers* (combined if necessary with childcare): as numerous studies have shown, access to training programmes for low-skilled women is frequently hampered by the difficulties women experience in fitting training around work and family commitments. More flexible programmes that take account of these difficulties can help to overcome the problem.
- *Influencing the skill structure in certain sectors by introducing legal requirements*: in the case of care occupations (childcare, elderly care, health sector) legal requirements defining minimum standards for employees’ qualification levels can put pressure on employers to invest in their employees’ qualifications. In Germany, for instance, legal provisions prescribe the minimum share of fully qualified nurses in elderly care homes and out-patient service activities. In the UK, the introduction of national minimum standards for key qualification targets has sought to raise the skill levels of staff engaged in caring activities with the goal of transforming care work into an attractive profession, i.e. one that is respected and where there are opportunities for development and career progression. Such policies are suited to creating or maintaining jobs with enhanced skill profiles.

4.4 Working time flexibility / work-life balance

One important general issue in this regard is the quantity and quality of part-time work. It is not sufficient to select best practices and recommendations as to how to either increase or decrease the share of part-time work, as part-time work is ambiguous in terms of its impact on the quality of female employment. While it might facilitate the reconciliation of work and

family life, it can also go hand in hand with less favourable employment conditions, which can be regarded, in part at least, as an effect of the gendered nature of part-time work, i.e. the fact that part-time work is largely a female domain. These less favourable employment conditions include, among other things, lower earnings opportunities as well as other disadvantages, such as reduced career opportunities. Thus important issues in this regard are:

- *policies that push employees into choosing to work either full-time or part-time* by removing barriers and constraints that leave them with little alternative but to work part-time / full-time;
- *policies and initiatives at company level to improve the quality of part-time work* (e.g. by abolishing discriminatory rules and practices – cf. best practise 3).

As far as the first set of issues is concerned, empirical analysis shows that there is considerable scope for influencing the quantitative shares of part-time work, since they vary significantly both within countries and within occupations. National differences in the share of part-time work also apply to the occupations under study, which demonstrates that the same occupations can be organised on the basis of quite different shares of part-time work. At the same time, part-time rates in the ‘low-skill’ service jobs under study are considerably above the respective national averages; this would suggest that national institutional settings have a variable impact on different labour market segments within the same country. For instance, insufficient public provision of affordable, full-time child care is likely to impact particularly on the labour supply of women in low-paid jobs. Therefore policies aimed at tackling this problem – like the British childcare tax credit or the German *Tagesbetreuungsbaugesetz* (Day Care Development Act) – can help to create the preconditions that allow women to enter the labour market or to increase their working time.

On the other hand, special regulations governing marginal part-time work, such as the German mini-jobs, for example, have a contrary effect. Provided their gross monthly earnings remain below €400, workers pay neither income tax nor social security contributions. Combined with the ‘splitting’ system for assessing married couples’ tax liability and the inadequate provision of childcare, this creates considerable incentives, particularly for women with dependent children, to remain below this threshold, despite the fact that this is associated with significant disadvantages. ‘Mini-jobbers’ do not acquire any independent pension entitlements and have no right to claim wage replacement benefits should they become unemployed. They are frequently further disadvantaged by low pay and a failure on the part of employers to provide holiday or sick pay; this latter practice is illegal in Germany but relatively widespread nevertheless.

Over and above legal regulations and initiatives, there is also an urgent need for initiatives at company level that give employees (both women and men) more opportunities to choose between full-time and part-time work and to facilitate the reconciliation of work and family responsibilities, particularly for single parents. For example, some German companies offer

this group the option of choosing particular shift arrangements (e.g. permanent day shifts) or provide and/or support precisely tailored childcare facilities not only for skilled employees but also for the lower levels of the hierarchy.

Other important issues are the organisation of parental leave arrangements and childcare facilities (cf. 1.3): ‘the opportunity to take paid maternal leave may increase women’s attachment to the labour market. But extended leave is likely to make more difficult and uncertain the return to employment, especially for women with insecure employment status. Female labour supply is relatively sensitive to childcare costs, particularly for women with low skills and low pay.’ (OECD 2003).

An interesting example in this context is the relatively wide-ranging trade union campaigns conducted in the British retail trade, which simultaneously target a number of different problem areas.

Best practice 9: trade union campaigns on working time issues (UK)

USDAW, the retail and distribution union, has an on-going ‘Parents and Carers Campaign’. This was the union’s “flagship” initiative in 2005, and it recently received a TUC Equality Award. This campaign is concerned with employee (paid) leave entitlements, rights to request flexible working hours and childcare provision. The campaign can be seen as three-pronged as it entails:

- Publicising existing statutory rights amongst members;
- Campaigning aimed at Government for the extension and strengthening of statutory rights;
- Negotiating with employers to provide rights above the statutory minimum.

USDAW has campaigned with other trade unions to improve statutory rights, and the increase in paid maternity leave from six to nine months, extending to twelve months by the end of this Parliament, is seen in the union as a “real success” that the campaign contributed toward.

USDAW is continuing to campaign for the extension and strengthening of the right to request flexible working hours. USDAW is lobbying Government and individual employers to extend the ‘right to request’ to parents with older children, and ultimately to all workers. The current restriction of this right to workers with care responsibilities is seen as problematic as it can lead to employers seeing women as “problem workers” – as they are more likely to take up such rights. This is recognised by the union as a possible disincentive to the employment of women. USDAW is also seeking a strengthening of the ‘right to request’ through lobbying Government to change the current rules which do not allow tribunals to scrutinise employers’ reasons for refusing to grant flexible work patterns.

In negotiations with employers, USDAW has had some successes. At Tesco, employees on paternity pay receive full pay for two weeks rather than the statutory minimum. USDAW has also successfully negotiated the extension of the ‘right to request’ to all workers at Unilever and Shoenfayre. When negotiating with employers, USDAW always looks to secure paid leave, as the option to take unpaid leave is unaffordable for most members.

USDAW has identified a need to address the clustering of women in low wage shop floor work. The lack of part-time employment opportunities in store management roles is seen as a key barrier – described by the union’s Equalities Officer as constituting a “sticky floor rather than a glass ceiling”. In the context of USDAW’s partnership arrangement with Tesco, a joint

project team has been established to work on developing flexible working patterns, including the trialling of job share arrangements for managers. There is also now a new role of Team Leader – a higher-paid shop-floor role entailing some management responsibility. Many of these roles have been taken by women working part time. These initiatives are concerned solely with the Tesco retail operation, and do not extend to male-dominated distribution activities.

4.5 Social recognition

A central message of this study is that there is a close mutual relationship between the social recognition of low-skill occupations and the quality of jobs in such occupations. Occupations with low social recognition are frequently badly paid and often go hand in hand with unfavourable working and employment conditions. Measures intended to improve the social recognition of such jobs tend to be ineffectual unless they are also designed to bring about noticeable improvements in job quality.

As far as low-skill occupations dominated by women are concerned, one of the reasons for the lack of social recognition is that they are often activities that used to be, and to some extent still are, carried out by women free of charge as part of their household and family duties. Consequently, there is frequently great reluctance to pay for professionally provided services, which in turn means that they are frequently provided in the black or unofficial economy, particularly in the case of services to private households, such as cleaning, private childcare and care of the elderly.

In recent years, a number of political initiatives aimed at legalising and professionalising services to households have been launched in many EU member states and by the European Parliament (cf., for example, European Parliament 2000). These initiatives have sought, among other things, to cut the bureaucracy involved in the legal employment of domestic workers, to reduce the costs by offering tax reliefs to those employing such workers and to provide financial support for companies that provide such services and at the same time offer their employees more attractive working and employment conditions. One example would be the so-called ‘service pools’ that were set up with public start-up funding in Germany in the 1990s.

Best practice 10: Initiatives to extend and legalise services to households (DE)

Since the mid-1990s, various measures have been introduced in Germany with a view to legalising existing clandestine work and expanding the professional provision of household services. The main thrust of these initiatives has been to simplify the administrative aspects of employing domestic workers (by means of *Haushaltsschecks* (service vouchers)) and to boost demand for legal cleaning services and, more recently, for child and elderly care services by offering tax incentives.

However, compared with the total number of households employing domestic workers (about 4 million), the number of registered mini-jobs in private households remains low, at about 120,000. France, in contrast, offers more generous tax incentives and has been considerably more successful in this area .

With regard to improving job quality in household services, the service pool or agency approach seems to point the way forward, since it aims not only to legalise domestic workers but also to put in place a new and more professional method of delivering such services, based on agencies. Series of assignments in a number of different households, with each assignment typically providing just a few hours' work per week, are put together by the agency, which assumes the role of employer. In this way, employees are offered an opportunity to work considerably longer hours (up to full time) and hence earn a living wage. There are other advantages as well: in addition to finding the customers and doing the invoicing, the agencies also mediate in disputes and provide training.

However, the hourly cost of services provided in this way is considerably higher than in the unofficial economy. As a result, many initiatives of this kind have failed to get the market to accept prices that cover costs once the public start-up funding has come to an end.

Overall, the various measures aimed at increasing employment in household services have frequently not been as successful as expected, which in some cases has led to the initiatives being abandoned. Clearly, it is particularly difficult for providers of household services to compete against cheaper clandestine labour.

There have also been initiatives to increase the social recognition of certain occupations in which relatively skilled and demanding work (particularly in personal services) is poorly remunerated and not highly esteemed. This has been the focus of a trade union campaign in the German health service.

Best practice 11: Campaign by the German service-sector trade union ver.di ‘Social work is worth more’ (DE)

This campaign by the service workers’ union ver.di was launched in February 2007 with the aim of putting the value of social work firmly on the agenda for public debate. The campaign encompasses a wide range of issues, including wage dumping, minimum wage, staff assessment, funding of social services and precarious work, and activities at all levels, from the federal right down to the local. The campaign has its own home page and a monthly newsletter is published (<http://soziale-arbeit-ist-mehr-wert.verdi.de/>).

The most interesting aspect of this campaign is that it links the issue of social recognition to those of pay and work organisation in social services and creates an umbrella for a wide and diverse range of trade union activities. Furthermore, workers themselves are a target group, the aim being to raise their awareness of the real value of their work and to convince them that poor working conditions are not an inevitability, so that they are encouraged to demand better conditions.

Other, more wide-ranging initiatives from the UK and the Czech Republic were outlined in sections 4.2 and 4.3 above (best practices 4 and 8). Although the points of contention vary, they all aim to bring about real improvements in employees’ working conditions or skill levels, which picks up on the basic notion that social recognition and job quality are closely linked.

4.6 Labour market policies

Various labour market policy measures can help to improve low-skilled women’s chances of finding employment and/or increasing their earnings and improving their working conditions. The main points of departure are:

- training programmes;
- wage cost subsidies for employers who hire particular workers from specific target groups;
- income support for workers with low earned/household incomes.

One important issue in this context concerns the types of groups targeted by such measures: ‘A gender mainstreaming approach would suggest the need for a focus on the inactive and on returners to the labour market as much if not more than the unemployed. This (...) needs to be addressed directly through extending access to active labour market programmes to the inactive who want to work.’ (Rubery 2003)

The German example from the elderly care sector meets this requirement, at least in part, because some of the measures were aimed at disadvantaged groups. However, individuals without entitlement to wage replacement benefits have less chance of being included in such measures.

Best practice 12: Publicly funded training in elderly care (DE)

Between 2000 and 2003 in the nursing and elder care sector, more than 48,000 registered unemployed persons completed courses of further vocational training supported by the Bundesagentur für Arbeit (Federal Employment Service). The emphasis was on the higher-level, three-year training occupations; for example, only 6% of the trainees followed courses leading to the qualification 'nursing assistant with state exam'. The capacity of the sector labour market to absorb qualified workers is clear from the high integration rate: eighteen months after the end of their programmes, 67% of the participants were in insurable jobs appropriate to their training, even though their original circumstances had placed them at something of a disadvantage (Kleinert and Dietrich 2005).

The following British example, on the other hand, suggests that initiatives of this kind do not have to take place solely at central government level but are also feasible as a joint initiative at sector level.

Best practice 13: A non-profit-making temporary work agency: extending good employment conditions to agency workers (UK)

In an attempt to reduce the costs to public sector hospitals associated with hiring temporary staff, and to address the problem of inefficiently run in-house 'nursing banks', in 2004 the Department of Health created a national not-for-profit agency, NHS Professionals, which became operational in 2005. This only charges a flat 7.5% service fee as opposed to an average of 15% commission charged by private agencies. NHS Professionals now has over 60,000 staff on its books (around 25% of the market for temporary staff in the National Health Service). It covers a range of occupations, including nurses, assistant nurses, locum hospital doctors, administration and clerical staff.

But NHSP is not just an organisation created to save money for the NHS. Perhaps its most innovative function is its policy to identify new recruits from the socially excluded and long-term unemployed. This is done in collaboration with Unison (the main union for the public services workforce) as part of the new 'Skills Escalator' policy, designed to broaden access to employment and to develop job ladders within the public hospital sector (McBride et al. 2006). In difficult to recruit areas, NHSP works with Job Centre Plus and individual NHS Trusts to put cohorts of unemployed people through training programmes where each participant continues to claim full welfare benefits in order to avoid the high financial penalties when switching from welfare to work. The recruits then have the opportunity to work flexibly on completion of the programme, so the scheme provides employment for those who, for example, were previously unable to work because of family responsibilities.

For low paid workers such as assistant nurses who wish to work flexibly, being on the books of NHSP offers distinct advantages. Firstly they enjoy the benefits of working for the NHS rather than a private agency, including holiday pay, sick pay, maternity benefits and access to the NHS final salary pension scheme. Hourly pay rates are linked to Agenda for Change rates (the national pay scale for workers in the public hospitals sector) and agency workers benefit from annual pay increases. Premia for nights, weekend and Bank Holiday working and London supplements can increase the rates significantly. NHSP puts all new assistant nurses through a pre-employment training course and they have access to further training including National Vocational Qualifications. Those who wish to go on to qualified nurse training have the advantage of being able to gain experience of working in different wards and hospitals. About twenty percent of nurse assistants who joined NHSP as temporary workers have gained a substantive position within the NHS.

In essence, *wage cost subsidies paid to employers* can have two different sorts of objectives: they can be used either to offer employers incentives to create additional jobs or to support the recruitment of particular target groups (c.f. long-term unemployed or women returners). The two objectives can of course be combined. For a long time, such subsidies were paid relatively frequently in Germany. However, as a result of the recent labour market policy reforms, both the number of training programmes and the use of wage cost subsidies have been considerably reduced. The basic assumption is that groups remote from the labour market are most likely to be reached when the relevant programmes are tailored to specific populations.

Income support to workers who take up or are employed in low-paid jobs is intended primarily to improve the financial position of such workers but also to make it more attractive to take up such jobs. Throughout Europe, labour market policy reforms in recent years have frequently sought to remove ‘unemployment traps’ or ‘poverty traps’, which prevent the unemployed from taking up low-waged jobs. One of the central features of these reforms is to ‘make work pay’ – by either introducing or extending in-work benefits in order to supplement low earnings or by reducing out-of-work benefits, or both.

The focus on immediate financial (dis)incentives has, however, evoked critical assessments from gender experts (among others), who have drawn attention to other non-financial obstacles and barriers faced by the unemployed and, more specifically, by those - largely women - with care responsibilities (Fagan and Hebson 2005). Thus in their comparative review, from a gender perspective, of ‘making work pay’ reforms in 30 European countries, the group of experts included a wider set of barriers to employment that need to be addressed in a more comprehensive approach, one that would not only make work pay but also make work *possible* (cf. also OECD 2003). The issues addressed include the availability and cost of child care services, active labour market measures (training schemes and tightened job search requirements) and maternity and parental leave provisions.

From a gender perspective, there are other risks associated with making work pay strategies. On the one hand, in-work benefits can create additional financial disincentives for second earners, who in practice are frequently women. On the other hand, there is also a risk that employers will reduce wages because they are able to rely on the state compensating workers for their lost income. This risk is particularly high in Germany, because there is no statutory minimum wage to eliminate wage dumping of this kind. In the UK, on the other hand, one of the justifications advanced for the introduction of the national minimum wage in 1999 was to cut out such abuses on the part of employers.

5 Recommendations

Our analyses have made it clear that, from a gender perspective, the question of how to encourage the creation of additional jobs for women in the low-skill segment gives rise to a number of ambivalences.

- In view of the low pay and unfavourable working and employment conditions that many such jobs provide, women would (still) be allocated primarily to the bad jobs in which they are frequently employed today.
- In many cases, employment policy strategies aimed at increasing the number of low-skill jobs take little account of job quality and reasonable rates of pay; rather, lower wages are seen as the key to success.
- Increases in women's participation rates frequently go hand in hand with increases in part-time work. However, part-timers are often disadvantaged with regard to pay and promotion opportunities, for example, and many of them are employed in jobs that are below their skill level.
- The very term 'low-skill work' implies a devaluation of the occupations concerned, which makes it difficult to improve the social recognition of such jobs. However, an improvement in social recognition is precisely what is required if additional employment potential is to be opened up from which women too can truly benefit.

It is our belief that these ambivalences suggest very strongly that an increase in the volume of low-skill work should not be the sole focus of policy in this area. Rather, attention must be paid to the entire skill spectrum and greater consideration given to job quality. This applies also, and particularly, to the low-skill occupations that are the focus of attention here. The success of any attempts to raise women's employment rates and to improve the quality of these jobs will depend on whether the general conditions for women's economic activity can be improved at the same time. National employment systems and welfare state arrangements play an important role in this regard. The available room for manoeuvre is further influenced by general economic conditions as well as by political priorities.

In this respect, the best practices from the Czech Republic, Germany and United Kingdom outlined in part 4 have to be seen in their respective national contexts and cannot be transferred unamended to other countries. In our view, their real value is that they highlight possibilities for action at various levels that have also been tested in practice. Nevertheless, it should be emphasised that we are dealing primarily with limited attempts to remedy problems and/or shortcomings at one location or another. Most of the initiatives are intended primarily to facilitate and not to challenge women's dual role, which would also require a change in men's behaviour. However, their effects on women's labour market opportunities or on job quality, social recognition or gender equality can hardly be expected to be irrefutably positive.

In our view, one fundamental problem in this context is that the promotion of low paid work, which is seen by both the EU and many member states as a way of reducing unemployment, is being developed as a separate agenda; consequently, the fact that women make up the vast majority of the low paid and that an increase in low-wage employment is likely to undermine women's integration into the labour market on an equal footing is being disregarded (Rubery 2002).

Against this background, we recommend that the European Parliament adopt a *gender-sensitive approach* to the question of women in low-skill work. In our view, this means in concrete terms that account should be taken of the ambivalences associated with the question and that particular attention should be paid to the fundamentally important role played by improvements to job quality and reasonable rates of pay. In many member states, the persistent or even widening gender pay gap is a taboo subject or is even regarded as an inevitable accompaniment to strategies aimed at increasing employment rates by expanding low-wage work¹⁵). Similar considerations apply to the frequently unfavourable working and employment conditions in low-skill occupations. Furthermore, effective actions and initiatives aimed at desegregating the labour market have hardly been widespread to date.

We have identified a number of starting points at various levels that could serve as a basis for making real improvements to job quality in low-skill work. As the examples of good practice show, policy-makers, the social partners and employers are important actors in this area. However, whether or not they commit themselves to concrete initiatives depends, among other things, on whether they recognise the poor quality of low-skill jobs as a problem at all. It is certainly no coincidence that many of the positive examples come from the personal services sector, where there are problems with labour recruitment and retention that can create pressure to improve working and employment conditions. In other occupations, such as cleaning, there have been few such initiatives to date because there is clearly less pressure and awareness of the problems.

We would argue, therefore, that the first step towards improving the lot of women in low-skill work must be to raise awareness of the problems of low pay and poor working and employment conditions in low-skill occupations. This applies particularly to stakeholders but also to the population as a whole. Increased awareness is an essential precondition for the development of measures and initiatives intended to bring about real improvements on a broad basis.

¹⁵ In this respect, France (equal pay act for men and women) and Sweden, for example, are exceptions. Cf. Ranftl 2006.

A public campaign of this sort must be part of a broadly based approach to gender equality. The necessary fundamental objectives have been clearly identified by the European Commission (2006) in its report on equality between women and men:

- reduction of the differences in male and female employment rates;
- tackling the underlying causes of the gender pay gap;
- improvements in job quality;
- promoting the reconciliation of work and private life, involving men and women;
- reforms of tax and social security systems in order to counteract gendered patterns of labour market participation and reduce labour market segregation.

Obviously, the shortcomings are to be found not in the objectives themselves but rather in the identification and implementation of suitable and effective steps and measures in order to put those objectives into practise. As far as low-skill occupations are concerned, the outcome of our analysis is that the following points of attack appear to be particularly important from a gender perspective:

- *remuneration*: key levers for reducing the gender pay gap are to be found in higher valuation of typically female occupations, the elimination of discrimination against part-timers and the establishment of minimum standards (introduction of or increase in statutory minimum wages);
- *industrial relations*: trade unions and works councils, as well as employers, have a key role to play in improving the pay and working conditions of low-skilled women at establishment level. This concerns not only the higher valuation of typically female occupations but also agreements on further training, working-time arrangements and improvements to the work-life balance for both men and women;
- *vocational training and skill development*: good training is no guarantee of higher job quality but a low level of skill and qualification brings with it a particularly high risk of low pay and poor working and employment conditions. Consequently, access to education and training is of particular importance. This applies all the more since the greatest employment growth has actually been recorded in more highly skilled occupations;
- *working-time flexibility and work-life balance*: in this area, the key levers are the rights of employees (both men and women) to organise both the length and scheduling of their working hours according to their needs, the provision of childcare facilities and, increasingly in the future, of support and care for the elderly. So long as part-time work remains a female-dominated sphere, strategies to extend it will continue to be highly ambivalent from a gender perspective;

- *social recognition*: if the recognition of low-skill work is to be improved, then an improvement in job quality (including pay) is essential. This is closely linked to the valuation of female-dominated occupations. In this regard, furthermore, we strongly recommend that the designation ‘low-skill work’ be critically reconsidered, because it implies a devaluation of such occupations;
- *labour market policies*: from a gender perspective, the inactive and returners to the labour market should be as much the focus of attention as the unemployed. This needs to be addressed directly by extending access to active labour market programmes to the inactive who want to work.

In order to make some progress in these key issues there is a need for both: an increasing number of examples of good practice and – probably more effective – considerable changes in the national frameworks. This applies not only to the political sphere but also to the stakeholders in the economy – i.e. companies, trade unions and employer associations (and others). We hope that our analysis and recommendations in this report will contribute to effective and sustainable improvements of the situation of women – and particularly of those in low-wage work.

Annex

Classification of occupations into low/intermediate/high skill segments

For defining skill segments we used a modified form of the approach developed by Stiglitz (Council of Economic Advisors 1996) and further improved by Wright/Dwyer (2003a).¹⁶ Our analysis is based on occupations in the ISCO-classification at the three digit level. The classification of occupations into skills levels refers to the year 2000, as this is most representative for the time span covered (1995 to 2005). First we aggregated occupations, if the number of employees is below the limit of reliability in one of the countries under study. We also aggregated occupations in order to have the same occupational groups for each country. By this we aggregated the originally 116 occupations on the three-digit level of the ISCO-classification¹⁷ to 62 occupational groups that will be referred to as “jobs” in the further analysis. Secondly for each of these we calculated the share of low-skilled employees. Third, the jobs were ordered by their share of low-skilled employees in ascending order. From this we calculated a median cell, weighted by the number of employees in each cell. Table A 1 gives an example for this proceeding.

Table A 1: Ranking of jobs by the share of low-skilled (example)

Skill segment	Job	Share of low-skilled	Number of employees	cumulated share in total employment
High	A	10%	2000	6%
	B	18%	6000	24%
Intermediate	C	30%	7000	45%
	D (median cell)	40%	3000	55%
	E	50%	5000	70%
Low	F	55%	8000	94%
	G	70%	2000	100%

Source: own illustration

The median cell is the job cell dividing the population of employees into two halves of equal size. In the example this is cell D with a share of low-skilled of 40%. From this median cell we define three skill segments: The high-skill segment ranging from a share of low-skilled

¹⁶ The modifications are that we define a „job“ as an occupation (aggregated ISCO-codes at the three digit level) and we do not further differentiate these jobs by different sectors. Instead of income, which is not available in the Labor Force Survey, we will use the share of low-skilled in each job, to differentiate between high-skilled, middle-skilled and low-skilled jobs. Wright/Dwyer describe this approach as an alternative for the income based approach (Wright/Dwyer 2003b), but they build five job skill segments, each covering 20% of the total population. Instead of the share of low-skilled in each job they use the share of people who completed at least one year of college. As there is a strong correlation between these two indicators (a job with a high share of low-skilled has a low share of higher-skilled) and low-skilled jobs are in the focus of our study, we used the share of low-skilled instead of the share of higher skilled.

¹⁷ ISCO : International Standard Classification of Occupations.

from zero percent to half the median (in the example Jobs A and B), the intermediate skill segment ranging from more than half the median to 1.5-times the median (in the example Jobs C, D and E) and the low-skill segment at over 1.5-times the median (in the example Group G).

The results of this proceeding with the Labour Force Survey for the countries under study are shown in Table A 2. The share of low-skilled in the median cell is at 5.5% in the Czech Republic, 15.5% in Germany, 29.8% in the UK and 34.7% in the EU-15. For the Czech Republic for example the median cell is the job ‘Metal, machinery and related trades workers’(ISCO 720-724). In this job 5.5% of employees are low-skilled. In relation to this median cell we defined the limits for the three skill segments. From a share of low-skilled from zero to 2.8% we defined the high-skill segment, from over 2.8 to 8.3% the middle segment and at over 8.3% the low-skill segment. In the same way the median cell and the segment limits were calculated for the other countries. This results in a distribution of employees by the three skill segments. In the Czech Republic 37.2% of employees are working in the high-skill segment, 30.4% in the intermediate skill segment and 32.4% in the low-skill segment. Thus, the Czech Republic has a very equal distribution of employees on the different segments, each segment covering approximately one third of employees. For the other countries the share of the intermediate skill segment is at over 50% much higher and according to this, the share of the low skill and the high skill segment is much lower. Compared to Germany and the EU-15 the UK has a high share of employees in the low-skill segment and a low share in the high-skill segment.

Table A 2: Definition of job segments (relational model)

Indicator		CZ	DE	UK	EU-15
Median cell and limits of job segments (share of low-skilled) calculated for 2000	median	5.5%	15.5%	29.8%	34.7%
	High-skill segment	2.8% and below	7.7% and below	14.9% and below	17.4% and below
	intermediate segment	over 2.8% to 8.3%	Over 7.7% to 23.2%	over 14.9% to 44.7%	over 17.4% to 52.1%
	Low-skill segment	over 8.3%	Over 23.2%	over 44.7%	over 52.1%
Share of employees in skill segment	high	37.2%	22.3%	20.6%	24.1%
	intermediate	30.4%	56.8%	50.9%	51.6%
	low	32.4%	20.9%	28.5%	24.3%

Source: LFS, own calculation

Table A 3: Definition of the target occupations¹⁸

Abbreviation	Industry/occupation	NACE-codes ¹⁹	ISCO-codes
Retail	Retail: sales clerk	52.0	5220
Hotel, housekeeping	Hotels and restaurants: housekeeping and restaurant service workers	55.0	5120
Hotel, cleaning	Hotels and restaurants: domestic helpers/cleaners	55.0	9130
Cleaning industry	Other business activities: domestic helpers/cleaners	74.0	9130
Cleaning occupations	domestic helpers/cleaners	all industries	9130
Health, cleaning	Health and social work: domestic helpers/cleaners	85.0	9130
Health, personal care	Health and social work: Personal care and related workers	85.0	5130
Child care ²⁰	Education/health and social work: Pre-primary education teaching associate professionals, Personal care and related workers	80.0	3320
		80.0	5130
		85.0	3320
		85.0	5131

Source: own illustration

¹⁸ Even if we are using the same ISCO and NACE codes for all countries, the information will not be exactly comparable between the countries. Firstly, because the coding of certain tasks varies between countries. This is especially relevant for child care occupations. According to the NACE coding these can belong to two different industries (Nace 80 and 85) and also to different occupations (3320 and 5130/5131). In the UK many employees in child care are coded with Nace 85 in combination with Isco 5131. For the other countries under study this combination is not relevant. In Germany these cannot be identified, because the Isco-coding is not available at the 4-digit level. In Germany many employees in child care are coded as Nace 85 in combination with Isco 3320, while this combination in other countries is not relevant. Nevertheless we expect to cover most low-skill occupations in child care with our analysis.

¹⁹ NACE: Nomenclature des Activités Economiques dans la Communauté Européenne.

²⁰ Child care cannot be analysed over time, because to identify the relevant occupations 4-digit ISCO-codes are needed, which are not available for all years.

Interviews with stake holders and other experts

The purposes of the interviews carried out in the course of the study were various. They were undertaken in order to identify trends and best practices and to learn more about the working conditions and prospects of women in low-skill work. A list of these interviews (and main issues) by country is provided below.

Moreover, all involved institutes and researchers had experiences from former studies and in some cases, we were able to refer to results from former interviews, too. This particularly applies to company case studies in retail, hotels, hospitals and cleaning industry and additional expert interviews at various levels carried out by the German and UK team in 2005/2006 in the course of a study on “Low-wage Work in Europe” commissioned by the Russell Sage Foundation, New York.

Czech Republic

- **Confederation of Trade Unions in Retail** (Odborový svaz pracovníků obchodu, OSPO), **representative**: working conditions of employees in retail, initiatives to improve them (by means of the dialog with the state organizations, employers and employers unions and advisory services)
- **Czech-Moravian Confederation of Trade Unions in Restaurants, Hotels and Tourism** (Českomoravský odborový svaz pohostinství, hotelů a cestovního ruchu, ČMOS PHCR), **representative**: working conditions of employees in hotels, restaurants, fast food and catering, improvement of employer-employee relations, increasing workers qualification

Germany

- **Service trade union ver.di, federal level, representative for gender issues**: working conditions and job quality in (low-skill) service occupations
- **Leading care association, federal level, general manager**: initiatives to improve social recognition of care workers, employment opportunities and prospects of low-skill workers, training courses
- **Service trade union ver.di, regional level, representatives for services and gender issues**: job quality in low-skill occupations, social recognition, pay issues, prospects
- **Association of employers in the cleaning industry, representative at federal level**: working conditions and job quality in cleaning occupations, need of general binding minimum standards

United Kingdom

- **Union of Shop, Distributive and Allied Workers (USDAW), equalities officer:** working conditions in retail, trade union's campaigns on working time issues
- **Tyne & Wear Care Alliance, manager:** job quality in elderly care sector, efforts to improve local skills
- **NHS Professionals, director of marketing and communications:** background of the establishment of the non-profit-making temporary work agency NHS Professionals, assessment of the initiative to extend good employment conditions to agency workers
- **National Health Service Hospital Trust, director of human resources:** working conditions and job quality of low-skilled employees in the health sector, background of and preliminary experiences with the new pay agreement 'Agenda for Change'

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