Economic Perspectives on Societal Challenges: Equality of Opportunity, Market Regulation, and Financial Stability - EPoS





## INTERVIEW

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# Research: New Policy for Women Could Fight Labor Shortage in Germany

## Interview with Christian Zimpelmann, EPoS Economic Research Center

Bonn, Mannheim, 06.03.2024 – The female employment rate in Germany is still below that of men: 73.1 vs. 80.6 percent according to the Federal Labour Office. What is more, many mothers work only part-time. Increasing the number of hours worked by women would help to counteract the skills shortage due to the demographic change. To that effect, researchers from the EPoS Economic Research Center stress the importance of targeted policy measures as employment decisions depend on role attitudes in different subgroups. Their findings are published in the discussion paper "How Gender Role Attitudes Shape Maternal Labor Supply".

## Mr. Zimpelmann, what is your main finding?

We find that gender role attitudes – the views about the appropriate role of mothers – are highly important for the employment decisions of mothers. Before the first child is born, the levels of employment are very similar for women with traditional and egalitarian views. Afterwards, women work on average less in the job. The drop in hours worked is substantially stronger for mothers with traditional attitudes.

## Are such employment decisions taken by the mothers alone?

That's an important point. We find that the gender attitudes of the father also matter. So couples decide together whether and how much the mother should be working or not.

## How do public policies influence the labor supply decisions of mothers?

We find that traditional and egalitarian mothers may react very differently to policies. The "cash-for-care transfer", the so-called "Betreuungsgeld", required parents not to use public childcare and look after their children at home instead. This transfer scheme substantially decreased the labor supply of mothers with traditional gender attitudes. However, the labor supply of mothers with egalitarian views was not affected by the transfer payment. A policy heading in the opposite direction, facilitating full-time child care, increases the employment levels primarily for egalitarian mothers.

## **INTERVIEW**

## If Germany cannot afford to keep losing the potential of women in the labor market, what are your recommendations to policy-makers?

First of all, policy-makers should be aware that role attitudes influence the effect that their policy measures will have. Politicians can either focus on specific subgroups (e.g. egalitarian mothers) or provide a range of policies to address the population as a whole. Furthermore, our results show that the overall effect of policies will depend on the distribution of gender attitudes in society. Since gender role attitudes became more egalitarian over time, this means that some policies become more effective while others become less effective over time. Lastly, our work highlights the importance of understanding how policies influence gender role attitudes in the long-run. For instance, parental leave policies that encourage fathers to participate in child-care could play a crucial role in shaping the gender role attitudes of their children.

The presented discussion paper is a publication without peer review of the Collaborative Research Center Transregio 224 EPoS. Access the full discussion paper here: <a href="https://www.crctr224.de/research/discussion-papers/archive/dp513">https://www.crctr224.de/research/discussion-papers/archive/dp513</a>

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## The Collaborative Research Center (CRC) Transregio 224 EPoS

Established in 2018, the Collaborative Research Center Transregio 224 EPoS, a cooperation of the universities Bonn and Mannheim, is a long-term research institution funded by the German Research Foundation (Deutsche Forschungsgemeinschaft, DFG). EPoS addresses three key societal challenges: how to promote equality of opportunity; how to regulate markets in light of the internationalization and digitalization of economic activity; and how to safeguard the stability of the financial system.

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