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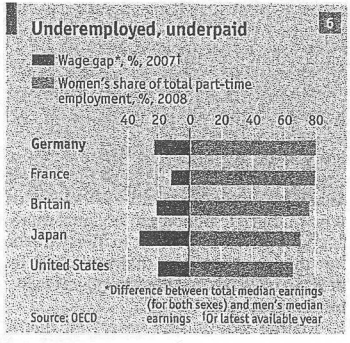
What a waste

Germany scandalously underuses immigrants and women

HEINZ BUSCHKOWSKY, the mayor of the Berlin district of Neukölln, is famous for being blunt. He is in charge of an ethnic goulash: 140,000 of his 305,000 constituents are Turks, Arabs, Yugoslavs or other migrants. The local unemployment rate is 26%, and probably twice that among the immigrants. Work disappeared when subsidies to industry were withdrawn after the fall of the Berlin Wall. But Neuköllners are all too willing to live off Hartz IV social-security benefits, which provide a family with children with enough to get by. "Long-term welfare paralyses people," Mr Buschkowsky observes, sounding more like an American Republican of the 1980s than a leading member of Berlin's Social Democratic Party. Children grow up thinking "money comes from the state," drop out of school and then raise children who repeat the cycle.

Neukölln's problems loom large partly because it is in Berlin which, unlike Paris or London, is poorer than the country it governs. In Ulm, which has more factories, Hartz IV is a less appealing option. Still, Mr Buschkowsky's message matters anywhere in Germany. He lambasts not only welfare dependency but also conservative shibboleths like the three-tier high-school system ("once at the bottom, always at the bottom") and paying women to stay at home with their children (he thinks the money would be better spent on preschool education so that immigrant children could learn proper German). He is equally impatient with liberal multiculturalism. Immigrants have a chance, he says, "when they not only live in Europe but become European".

Neukölln may be untypical, but it raises questions that preoccupy the whole country. How much welfare is too much? When should the state assume responsibility for looking after children? How can an ageing society make the most of underemployed immigrants and women? Should immigrants become Germans, and if so, what sort? These questions are interconnected.



For different reasons, immigrants and women play a disproportionately small role in Germany's labour force. Many immigrants never recover from their start in an "education-free monoculture", as Mr Buschkowsky puts it: a home where family members and cartoon characters speak a language other than German, a spell in a *Hauptschule* followed by the transitional system and a life on the dole. Nearly one-third of Germany's Turks, the largest group of immigrants other than ethnic Germans, have no secondary-school diploma, and just 14% qualify to go to university. Some 16% are dependent on welfare, twice the share of native Germans. In 2005, the last year for which data are available, the unemployment rate among Turks was 23%, compared with 10% for native Germans.

Underworked, underpaid

Women take a different route to underemployment. Their problem is not education: they make up a majority of those who pass the *Abitur* as well as of university students. The trouble starts afterwards. The wage gap between men and women is 23%, ▸▸

among the widest in the EU. That is partly because though women's participation rate is above average for Europe, many of those women work part-time (see chart 6, previous page). The "one breadwinner model" of family life—now updated to 1½ breadwinners—remains the cultural norm in west Germany. In a 2006 survey 27% of women aged 15 to 39 in that part of the country agreed with the statement that "family life suffers when the woman has a full-time job." In east Germany the figure was only 9%; in France 13%.

Institutions have not caught up with the majority of west German mothers who would contemplate full-time work. Child care remains scarce. Just 8% of German children aged two or younger are in crèches for more than 30 hours a week; in France the proportion is 17%. For slightly older children the difference widens. Unsurprisingly, in Germany only 17% of mothers with two or more children work anything like full time, whereas in France more than half do.

Germany as a whole is underemployed. Germans in work put in an average of 1,430 hours in 2006, the third-lowest rate in the OECD. Even after the labour-market reforms, long-term unemployment remains well above the OECD average. More than half a million immigrants cannot do the jobs for which they trained because Germany does not recognise their qualifications, a case of credentialism gone wild. A country in demographic decline cannot afford such waste. By 2035 Germany's GDP per person will fall by 8-15% relative to that in other rich European countries and in America, calculates Axel Börsch-Supan of the Mannheim Research Institute for the Economics of Ageing.

To head off such relative decline, Germany needs to re-engineer not only the welfare state but its attitudes towards immigrants, women and people over 60. Against its conservative instincts it has made a start. In the past ten years it has done more to integrate minorities than in the previous 40, says Klaus Bade, the immigration scholar. When "guest workers" from Turkey, Italy and Greece flooded in to alleviate labour shortages in the 1950s and 60s, Germans thought they would eventually leave again; during the 1980s the government tried to pay them to go. Now it accepts that Germany is an "immigration country". A citizenship law passed in 2000 which said that people not born German could become so was followed in 2005 by an immigration law that inched open the doors for skilled foreigners.

The government has maintained a cautious momentum, balancing welcome with a demand that immigrants adapt to German ways. Under a "national integration plan" orchestrated by the grand coalition, language training for immigrants and their children is being expanded and businesses have promised to create extra training places for migrants. The coalition set up a standing "Islam Conference" to negotiate relations between the religion and the state. Its main successes, according to Mr Bade, were to establish that Muslims see no contradiction between their faith and Germany's constitution, and to agree in principle to teach Islam in state schools, as Judaism and Christianity already are.

In 2008 Cem Ozdemir, a Swabian of Turkish origin, became co-chairman of the

Give them a job

Greens, the first hyphenated German to lead a big party. The first Turkish-origin police inspector debuted on "Tatort" (crime scene), a popular television series, in the same year. When Mrs Merkel named Philipp Rösler, who was born in Vietnam, as health minister in her new government, there was little comment. Second-generation immigrants fare better than their parents. Ethnic Turks born in Germany are twice as likely to pass the *Abitur* as those born in Turkey itself, though still only half as likely as native Germans to do so. Those who manage to obtain professional qualifications generally prosper in their careers, but this progress is partially masked by new arrivals of unskilled immigrants, often for marriage.

Neither side is sure where all this is leading. Germany lacks the republican assertiveness of France, which bars schoolgirls from wearing headscarves, and the populist self-confidence of Switzerland, which voted to ban minarets in a referendum last November. But that does not mean that it is more relaxed about migrants. In some ways it is less so. For example, citizens of non-EU countries cannot hold dual citizenship, which they are able to do in France and the Netherlands. When Thilo Sarrazin, a former Berlin finance minister, last year put forward the claim, which many saw as bordering on racist, that most of the city's Turks and Arabs were "neither willing to integrate nor capable of it", polls found that a majority of Germans agreed with him.

If integration means a willingness to embrace German identity, he is right. Only a third of Turks have given up their passports to become German citizens, and even the most successful among them have reservations. Ufuk Topkara, a young naturalised German perfectly at home with his Turkish-German identity, maintains that "the moment you speak German you are German," but explains that many of his Turkish friends disagree: "They go on about being Turks living in Germany." If on the other hand integration means speaking German, belonging to the middle class and obeying the law, then his friends are already there. The problem is that too many do not recover from a poor start in life. About half of young children in Neukölln need remedial German classes before they go to school. There is no sanction if their parents refuse to take them.

Now the government wants to make it easier for mothers to go back to work after childbirth. The grand coalition introduced "parents' pay", a benefit linked to the new parents' salaries that allows either of them to take up to 12 months off. This has started to make a difference to family life. The share of fathers taking paternity leave—normally for an extra two months—has jumped from 3.5% to more than 20%; the most doting ones, surprisingly, are in conservative Bavaria, where more than a quarter of new fathers take the benefit.

By 2013 crèche places will be available for a third of children younger than three, and children over one will be entitled to a place if the parents want it. That may be difficult to achieve in practice. Local governments, which foot part of the bill for day care, are in dire financial straits. The expansion in most states remains "grossly underfunded", says Gisela Erler, owner of Familienservice, a company that operates

crèches. She reckons it will take 20 years before the promised number of decent-quality places can be provided. But what has been put in motion, she notes, is nonetheless "a huge step".

No politician openly opposes that, but conservatives in Mrs Merkel's CDU have persuaded her also to accept a benefit called *Betreuungsgeld*, made to mothers who prefer to stay home with their children. For people like Mr Buschkowsky, this is a disastrous departure from the progressive policy of encouraging women to work and young children to attend German-speaking pre-schools. The conservatives invoke freedom of choice. "People know what's best for them," says Stefan Mappus, the premier of Baden-Württemberg. "It's sad that when you want to strengthen the family people accuse you of defending an obsolete model."

In business, pragmatism reigns. BMW supports four kindergartens in Bavaria and is trying to make the work culture more family-friendly. "The best worker isn't always the one who stays till 8pm," says Mr Krüger, the personnel chief. BMW now lets workers take sabbaticals and up to 20 days' extra holiday a year in return for lower pay. He wants to arrange things so that working part-time does not mean dropping out of professional life. But family friendliness alone will not shield BMW from the coming demographic storm. By 2016, says Mr Krüger, "we won't make it without engineers from other parts of the world." ■