

## Chapter 9

# **FAMILY FORMATION IN EAST AND WEST GERMANY BEFORE AND AFTER UNIFICATION**

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### 1. INTRODUCTION

After unification, East Germany has been undergoing a major reconstruction of its society and economy. Compared to pre-unification times, when women's full-time employment was universal, career tracks highly pre-determined and the compatibility of work and family life supported through an array of family policies, childrearing and employment are no longer as compatible in post-unification East Germany. Furthermore, career options have become more diverse, which involved, on the one hand, better possibilities to turn higher education into higher earnings, on the other hand, high risks of unemployment. Against this background, one would expect that, compared to pre-unification times, the variation in the timing of fertility by women's educational level has increased.

In this chapter, we utilize data from the German Socio-Economic Panel (GSOEP) to investigate the role of women's education in the transition to the first child in East and West Germany before and after unification. In the following section, we give a brief account of the institutional changes that have occurred in East Germany after unification (Section 2). We then elaborate our theoretical considerations on the role of women's education in fertility (Section 3). The subsequent part consists of the empirical analysis where we employ piecewise-constant event history models to the analysis of first birth risks (Section 4). The last part summarizes the major results (Section 5).

### 2. INSTITUTIONAL CONTEXT

#### *2.1 The German Democratic Republic*

In the GDR, encompassing family policies relieved the costs of children and supported the compatibility between work and family life. Basic needs (such as

housing and food) were heavily subsidized and mainly centrally allocated (Vortmann 1988, Cornelius 1990, Schmähl 1992, Trappe 1995, Frerich and Frey 1993, Trappe and Rosenfeld 2000, Kreyenfeld 2004). The costs of children were reduced by an array of monetary transfers and 'in-kind subsidies'. For example, the allocation of housing space was centrally regulated and in order to get or change an apartment, one had to apply to the local municipalities (Frerich and Frey 1993: 427f.). Young couples did not immediately receive an own apartment, but having a child or getting married was an important reason to get priority access to it. New mothers were given a 'birth grant' of 1,000 Mark, provided they had taken part in medical check-ups during pregnancy (Gysi and Speigner 1983). Upon marriage, couples could apply for a 'marriage loan' of 5,000 Mark which was partially cancelled out when a child was born and it completely cancelled out with the birth of a third child.

Gender equality was a major goal on the political agenda of the GDR and already in the 1950s, public policies were directed towards encouraging women to participate in the labor market (Obertreis 1986: 74ff.). In the 1960s, the East German government particularly focused on reducing the gender gap in educational levels and labor market positions. Firms were requested to set up women's promotion schemes, and women were encouraged to retrain and take up further education (Trappe 1995). In the 1970s, when population policies became of great significance, public policies tried to more rigorously address the problems that arise from combining full-time employment and family life. The most notable policy measure in this context was the increase in the provision of public day care in the following years. By the beginning of the 1970s, about a third of all children ages 0-3 attended public day care. By the middle of the 1980s, the percentage of children ages 0-3 in public day care had increased to more than 70 percent (Statistisches Amt der DDR 1990). In 1976, the 'Babyjahr' was introduced which was basically a one-year period of paid parental leave. Initially, women could only take advantage of it after the birth of a second or higher order birth. Since 1986, women could also use it after the birth of the first child. The 'Babyjahr' was directed to women only, i.e. fathers could not take it. In this context, East German policies have frequently been criticized for never really addressing gender issues. Although the public provision of day care solved some of the major incompatibilities of work and family life, household tasks continued to be the responsibility of women (Pascall and Manning 2000: 254).

Apart from a parental leave period of one year, men and women were both expected to be continuously employed full-time. East German legislation was set up in such a way that, in case of divorce, women were essentially not granted maintenance claims. Neither did single motherhood entitle to social benefits (Berghahn and Fritzsche 1991: 144ff., Frerich and Frey 1993: 396). There was basically no unemployment and the labor market provided highly structured employment careers. The risks of status downward moves were minimized by the principle of 'status adequate job placement' which meant that workers were primarily allocated to jobs by their formal educational qualifications (Huinink et al. 1995, Solga and Konietzka 1999, Zühlke 2000, Szydlík 2002). Wages were basically centrally set, i.e. workers