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## BOARD-LEVEL REPRESENTATION

# Good performance with co-determination

Employee representation at board level is not a barrier to a country's economic success – rather the opposite. Europe's strongest economies are those where employee representatives are required to be involved in decisions taken at the highest level in the company. This is the conclusion of a new study by Sigurt Vitols of the Social Science Research Centre in Berlin\* (Wissenschaftszentrum Berlin).

The researcher, on behalf of the SEEurope Network, led by Norbert Kluge, divided EU states into two groups: countries like Germany, with extensive employee participation, on the one hand; and countries with poorly developed or non-existent statutory provisions, on the other. Vitols examined a range of indicators: unemployment, days lost through strikes, labour productivity, trade balance and overall current account balance; real economic growth, inequality in income distribution and the economic attractiveness of a country from a business point of view.

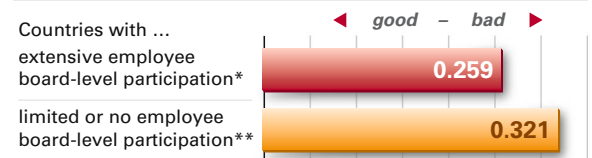
The results are as clear as they are surprising – at least for many: in all areas other than real economic growth, countries with extensive board-level representation score better than those with none. It cannot be concluded from this that extensive employee participation is a condition for economic success. But it does mean that there is no justification for adapting corporate governance to the Anglo-Saxon model – with no employee involvement – for reasons of supposed better economic performance.

The differing ownership structures also argue against such a policy. While in the USA and the UK share ownership is widely dispersed among very active investors, on the continent large shareholders continue to dominate. In Germany there is a requirement for employees to be involved in the running of these companies through their representation on supervisory boards. In Vitols' analysis, "their presence seems to filter out and lower investors' excessive profit expectations". This is in the interests of the company maintaining itself in the medium and long-term. The study provides good arguments for a European model of Corporate Governance, which sees itself as being bound by both economic and social goals. "If board-level representation has no negative economic effects, then it should be welcomed, because it brings benefits for employees," concludes the researcher. It could and should be extended to all EU countries. ◀

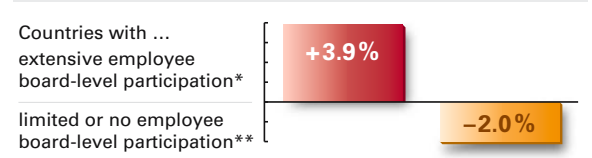
## Economies profit from board-level representation

Performance of EU countries

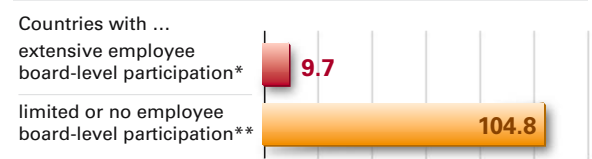
### Income inequality<sup>1</sup>



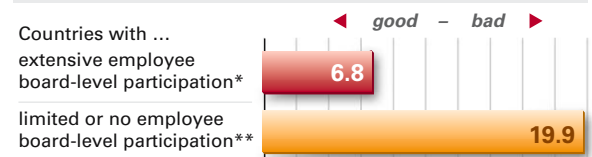
### Trade balance 1999 to 2003 (as percentage of GDP)



### Strikes 2000 to 2002 (days of strike per 1,000 employees)



### Economic attractiveness to business<sup>2</sup>



\*Austria, Czech Republic, Denmark, Finland, Germany, Hungary, Luxembourg, Netherlands, Slovakia, Slovenia, Sweden; \*\*Belgium, Cyprus, Estonia, France, Greece, Ireland, Italy, Latvia, Lithuania, Malta, Poland, Portugal, Spain, UK

1) Gini-coefficient; 2) Business Competitiveness Index (BCI) of the World Economic Forum  
Source: Vitols 2005 | © Hans Böckler Foundation 2007

\* Source: Sigurt Vitols: Prospects for Trade Unions in the Evolving European System of Corporate Governance, European Trade Union Institute for Research, Education and Health and Safety (ETUI-REHS), Brussels, Nov. 2005  
More information in German: [www.boecklerimpuls.de](http://www.boecklerimpuls.de)

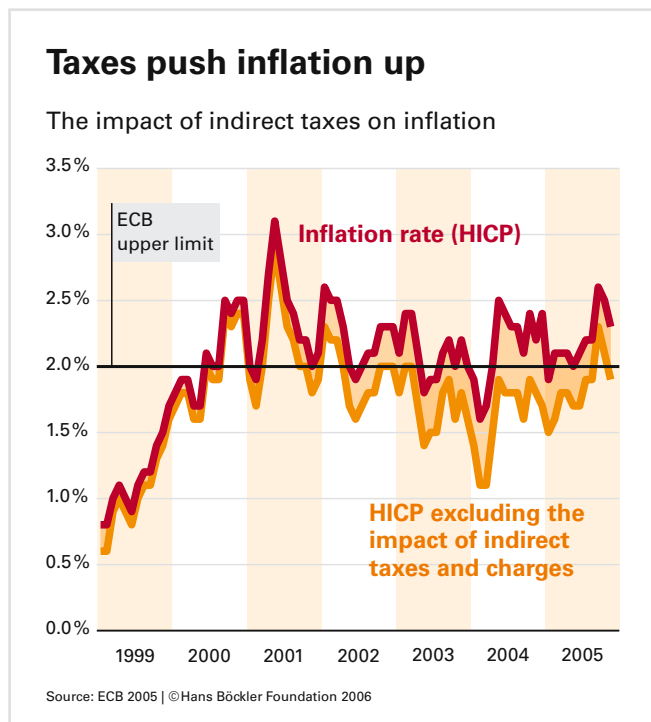
# The state drives up prices

**Despite long years in the economic doldrums and mass unemployment, the inflation rate in the Euro zone remains high. Is this the fault of rigid labour markets and tight product controls?**

No, says the IMK – Macroeconomic Policy Institute\*: increases in public charges and changes in indirect taxes are keeping price rises above the European Central Bank's acceptable two per cent limit.

In recent years, continuing economic stagnation and the resultant worsening of their public finances have pushed increasing numbers of countries in the Euro zone into conflict with the EU's Stability and Growth Pact. In order to avoid fines from the European Commission, they have raised indirect taxes (for example on tobacco and oil products). They have increased the prices set by the state or they have cut subsidies.

Some countries, including Germany, have done this so enthusiastically that they have increased the overall rate of price increases – what economists call “tax push”. It is diffi-



cult to calculate precisely how strong this tax push has been; the ECB uses one measure, but there are also various national studies. They do not include all price effects but they provide a clear indication: in 2004, for example, the overall inflation rate in the Euro zone was 2.1%, but a third of this – 0.7% – was a result of state pricing policies.

In Germany the impact is even more severe: its inflation rate was 1.8% in 2004, with tax push accounting for one percentage point. If the figures are adjusted for these distortions, the inflation rate for the Euro zone in the period since

2002 has almost always been under 2.0%. The ECB would then have met its target for price stability.

In addition to influences coming from the state, it has been higher energy prices which have driven up inflation – prices which, because they are set on world markets, European states can scarcely influence. They have the same effect as tax increases on the Euro zone economy. However, the bank responsible for Europe's currency pays no attention to these distortions. In December 2005, despite all warnings to the contrary, it put up its base rate. Europe was at the start of a period of economic recovery; there was no real inflationary danger. In fact the opposite was the case; in the view of the IMK, both pay increases and the underlying inflation rate of consumer prices set by the market – that is excluding the effect of tax push – were at a worryingly low level.

Further attempts by member states to save money will not lead to a fall in inflation. Additional increases in indirect taxes – as in Germany, for example, in 2007 – will, on the contrary, push up the inflation rate, which could result in the ECB increasing its interest rates even more. This would make borrowing more expensive, resulting in weakening consumer demand and investment. In this way monetary and public spending policy continually obstruct one another.

The IMK proposes a way out of this dilemma: “Through a fundamental reform it would be possible to require the ECB explicitly to take account of growth as well as price stability and to require it to work together with economic and finance policies.” The Stability and Growth Pact has shown itself to be an “Instability and Stagnation Pact”. It now needs

to be replaced with an intelligent co-ordination mechanism, which is also focussed on growth. ◀

\*Source: Jörg Bibow: Preistreiber Staat: Zur Inflationspersistenz im Euroraum (The state drives up prices: on the persistence of inflation in the Euro zone), IMK Report 6/2006

The IMK Macroeconomic Policy Institute is an independent research institute within the Hans Böckler Foundation, examining a wide range of macroeconomic topics.

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## All a question of definition

*When statisticians talk about inflation they can mean different things. In general it is possible to distinguish between the Harmonised Index of Consumer Prices (HICP) and the underlying inflation rate. The HICP measures the average change in prices of all goods and services bought by private households for consumption. This includes, for example, food, the fridge, rent or a visit to the hairdresser. The underlying inflation rate refers to the HICP excluding unprocessed food and energy, as these vary sharply and have a distorting effect. In addition, to exclude the influence of the state from the calculation, the IMK has used the so-called tax push. This refers to the influence of the state on prices, for example through increases in indirect taxation or charges. The underlying rate of inflation excluding tax push gives the market-set underlying rate of inflation.*

# Lots of state, lots of competition

Railways, telecommunications and water supply all are supposed to be more efficient, cheaper and more reliable when they are no longer provided by the state. That is why the UK has radically privatised large parts of its public sector, although with only moderate success. Sweden, on the other hand, has gone for more competition – without selling state-owned companies. The result: high quality and low prices.

State monopolies in Europe are increasingly being opened up to competition. But sociologist Dr Inge Lippert, head of the Berlin-based innovation research body InterCase, has found that there are different routes from the state to the market-place.\* The Anglo-Saxon liberalisation path is represented by the UK, where organisations providing public services have been extensively privatised – British Rail, broken up by the conservative government and sold as more than 100 separate companies to private investors, is one example. Telecommunications, electricity and water supply are also now almost entirely in private ownership.

**Nowhere else in Europe did ownership arrangements change as quickly as in the UK. However, the jump to the new model of ownership was not accompanied by a rapid opening up of markets or the development of competition.**

Frequently, former state monopolies were simply replaced by private monopolies. Lower prices and better quality? No chance.

The railways provide a particularly bad example. Breaking up the business into too many small bits did not just mean that the way they worked together was inefficient; the trains also became less and less punctual, and there were more accidents. The result was that the Labour government decided to re-nationalise part of the rail network – the track.

Lippert’s overall conclusion is unambiguous: “Looking at developments in terms of price and quality, only the reforms in the telecommunications industry and electricity sector can be judged positively. In other sectors, the consequences of privatisation were massive price increases, sometimes accompanied by an enormous decline in quality.”

Sweden, the prime example of the Scandinavian social-democratic model, simply added some elements of the market economy to the provision of public services, without giving up state influence. As a result, handing ownership to private investors has played almost no role in the process. Most bodies offering services remain wholly or largely owned by the state, even though they are now limited companies. On



the other hand, the Swedish government acted to increase competition, moving early to open up markets that had previously been closed. Sweden is the only European country that has completely removed the monopoly in postal services, with 80 new service providers in place by 1998. The market for electricity and rail freight had been completely opened up by 1996.

**Lippert confirms that Sweden has achieved “substantial improvements in quality” in most public services. Similarly in the area of prices she judges the social-democratic model as being “clearly better”.**

Nevertheless, liberalisation has produced massive job losses in both countries. It is true that the Swedes placed great

## Public sector: privatisation alone isn’t enough

Reform of public services

	Reforms	Results
 <p><b>United Kingdom</b></p>	<ul style="list-style-type: none"> <li>Large-scale privatisation and the sale of state companies</li> <li>Little promotion of competition</li> <li>Partial replacement of state by private monopolies (example: water industry)</li> <li>Strong drive for efficiency, weak drive for quality</li> </ul>	<ul style="list-style-type: none"> <li>Substantial loss of quality</li> <li>Massive price increases (exceptions: telecommunications and electricity supply)</li> <li>Dramatic job cuts</li> <li>Sharp deterioration in working conditions</li> <li>Major loss of professionalism</li> <li>Weakening of employee representation</li> </ul>
 <p><b>Sweden</b></p>	<ul style="list-style-type: none"> <li>Only formal privatisation, with no transfer of ownership</li> <li>Powerful encouragement of competition, with early opening-up of markets (example: abolition of the postal monopoly)</li> <li>Co-existence of largely liberalised markets and areas of monopoly</li> <li>Increased state influence on the quality of services</li> </ul>	<ul style="list-style-type: none"> <li>Substantial quality improvements (exceptions: railways and electricity supply)</li> <li>Appropriate price movements</li> <li>Massive loss of jobs, but organised in a socially acceptable way</li> <li>Worse working conditions, particularly in postal services, electricity supply and railways</li> </ul>

Source: Lippert 2005 | © Hans Böckler Foundation 2005

emphasis on a socially acceptable reduction in employment, but working conditions became worse in almost all sectors. The situation in the UK was even more dramatic: the job cuts were bigger and the worsening of conditions more extreme. As Lippert notes, the previously public services were no longer “a safe haven of employment”. ◀

\* Source: Inge Lippert: Öffentliche Dienstleistungen zwischen nationaler und europäischer Regulierung (Public services between national and European regulation); Study on behalf of the Hans Böckler Foundation, May 2005, published by edition Sigma, Berlin 2005 under the title: Öffentliche Dienstleistungen unter EU-Einfluss (Public services under the influence of the EU)

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# German wages: systematically overestimated until now

Germany's labour costs are around the middle of the European range, according to a study by the IMK – Macroeconomic Policy Institute\*. Using new, comparable figures for EU countries, the researchers refute the thesis that German wages are too high. In fact in private services they are very low, compared with the rest of Europe.

For a long time German labour costs were blamed for the country's obstinately high unemployment. The argument that wages were too high could barely be proven, as there were no clearly comparable figures for the whole of the German economy and those of its competitors.

Nevertheless studies from the Cologne Institute for Economic Research (IW) – a research institute that emphasises its market economic credentials – have constantly proclaimed that German labour costs are among the highest in the world.

The difficulty is that the IW's regular comparisons with other countries are only for hourly manual labour costs in manufacturing industry – in other words they exclude the labour costs of the non-manual workers. On this basis West Germany, at €27.60 an hour, was one of the highest-cost countries internationally in 2004, beaten only by Denmark at €28.14. Important EU competitors like France, the Netherlands and the UK, whose figures ranged from €20 to €24, appeared to have substantially lower labour costs. However, they were substantially undercut by the low labour costs in East Germany, which came in at €17.15.

The IMK believes that there are a number of problems in the way the IW has assembled its figures:

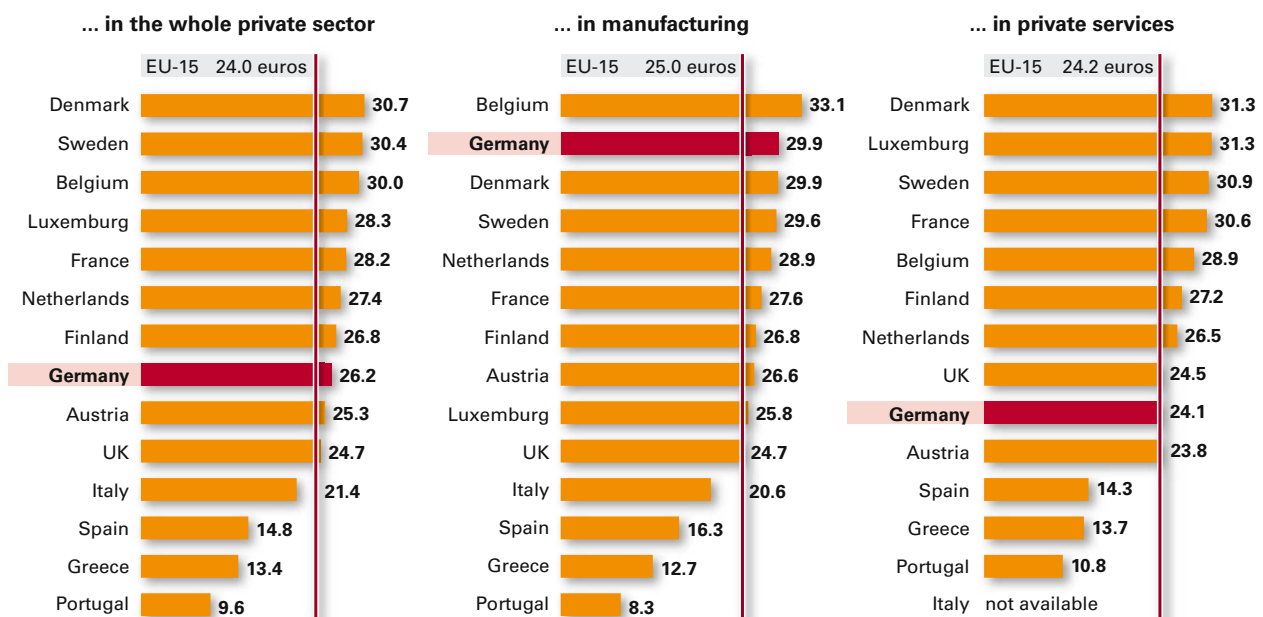
- ▶ The IW only provides hourly labour costs for manual workers, and ignores the salaries of non-manual workers. This is inexplicable. Since the 1992 survey on labour costs, national statistics offices have no longer provided separate figures for manual and non-manual workers, so the IW has had to estimate the appropriate figures since that date.
- ▶ The IW limits its labour-cost comparisons to manufacturing industry, basing this approach primarily on the outstanding importance of this sector in international trade. However, in Germany manufacturing only accounts for 27% of total economic output, and even the IW admits that choosing manufacturing industry rather than the total economy has a substantial impact on Germany's position in terms of labour costs.

Until now it has simply not been possible to compare European labour costs, because the data to do so was missing: hourly labour costs were not collected according to a common standard.

In particular, there were major gaps and differences in definitions between countries for the figures on working time. However, the labour cost index from Eurostat (the EU's statistics office) now provides a consistent set of data.

## Cheaper services cushion labour costs

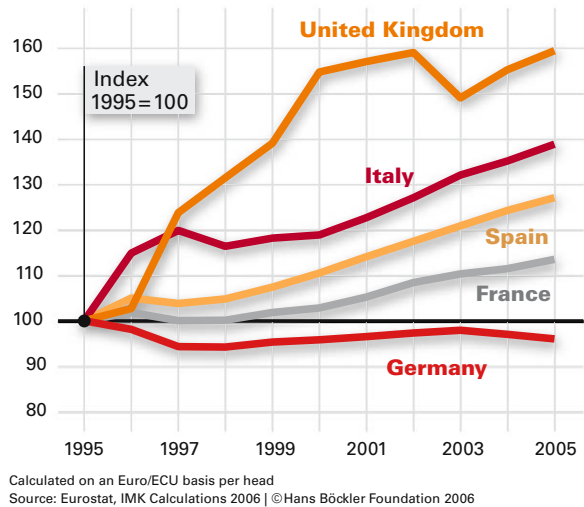
This is the cost of an hour's labour costs in euros...



Figures for Sweden and Greece are for 2003, there are no figures for Ireland; Source: Eurostat 2006 | © Hans Böckler Foundation 2006

## Unit wage costs: 10 years of stability

Movement in unit wage costs since 1995



It shows that in 2004 Germany, with hourly labour costs of €26.22, was in the middle of the EU-15 rankings, and suffered no competitive disadvantage in relation to its most important trading partners (France, Austria and the Netherlands).

If the comparison is restricted to manufacturing industry, Germany does have relatively high labour costs. However, even here Germany is not alone at the top of the table: there is a big group of European countries whose labour costs are well above the EU15 average.

The Eurostat figures in fact show labour costs in Germany's neighbours to be 14% to 21% higher than the IW claims. The main reason for this difference is that, unlike the IW, Eurostat uses the figures for non-manual as well as manual workers.

In almost all other major EU countries, the inclusion of non-manual workers produces a higher rise in overall labour costs than in Germany, so reducing the gap between labour costs in Europe's largest economies.

**In the private services sector, labour costs in Germany exactly match the average for the EU15.** As result, they are substantially below the level of the other large European countries, with the exception of Spain.

"This is an astonishing result," say the IMK researchers, "because all other countries that show above-average labour costs in manufacturing also record above-average costs in the service sector." In commerce (retail and wholesale), German labour costs are 20% below those in the country with

the highest labour costs, and in credit and insurance the gap is 25%.

**Nowhere else in Europe is the gap between pay in manufacturing and pay in services as large as in Germany.** Its labour costs for private services are 20% lower than those for manufacturing. In many European countries, private services pay better than manufacturing.

"This means that for years Germany has had an absolutely special position among EU states," notes the IMK. The explanation: the way pay moves is closely linked to the demand for the goods and services produced in that sector. However, a necessary precondition for demand to have such a strong influence is the competitiveness of the industry concerned.

Industries can have relatively high labour costs but still be competitive and benefit from high worldwide demand. For example, labour costs in Luxemburg's credit industry were 25% above the EU15 average in 2004. And for Germany's manufacturing industry, costs were between 16% and 20% above the average. The growth and in some cases the export success of both these sectors shows that, despite these higher labour costs, they are still competitive.

The German services sector, on the other hand, provides a negative example. Its labour costs have grown more slowly, both in relation to Germany's European trading partners and with reference to the country's manufacturing industry. To a substantial degree this is explained by weak domestic demand; international competitiveness plays only a minor role.

Comparing labour costs in the EU shows that pay increases in German manufacturing must not end up lower than in neighbouring countries. In services, pay could even go up more rapidly. The final conclusion of the IMK: "Germany's problem is not that wages in manufacturing are too high, but that in services they are too low."

\* Gustav Horn, Anja Dühmann, Peter Hohlfeld, Camille Logeay, Katja Rietzler, Sabine Stephan, Rudolf Zwiener: Arbeitskosten in Deutschland: Bisher überschätzt. Auswertung der neuen Eurostat-Statistik, (Labour costs in Germany: overestimated until now. Analysis of new Eurostat statistics), IMK Report 11/2006

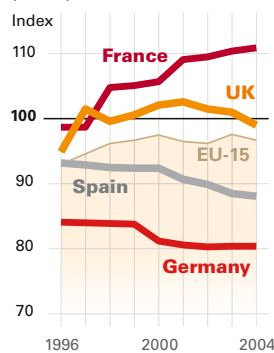
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## Finally comparable

In the middle of 2005, Eurostat published new data for the Labour Cost Index (LCI) for the first time. The new feature is that there is a single framework for collecting the data, which all countries are obliged to follow. This has substantially improved the comparability of labour costs across Europe. All EU states are required to report their figures for the LCI to Eurostat within 90 days of the end of the quarter. The European statisticians then use these figures to calculate the labour cost indices. At present annual and quarterly figures are available for most EU states for the period 1996 to 2004.

## Germany: cheap services

Labour costs for services in relation to manufacturing industry (=100) in...



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# The secret of British success: spending in the crisis

The UK economy is growing; unemployment is far lower than in Germany.

What are the British doing right? Academics from the Universities of Göttingen and Hamburg pick apart the standard myth that it has been deregulation and flexibility that have brought growth and welfare.\*

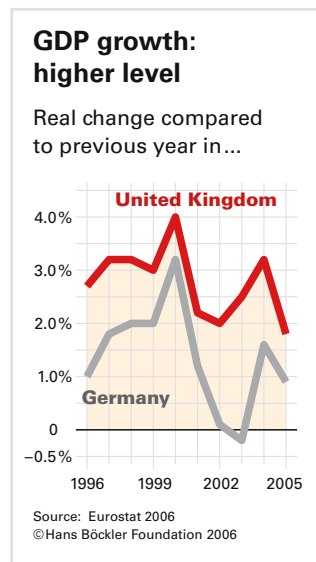
Much more decisive, they find, has been the right mix of monetary and financial policies.

The OECD is always happy to point to the UK's flexible labour market as the right way to higher employment. However, the most recent empirical studies from several countries indicate that this is not the full story: there is no statistical connection between deregulation of the labour market and a reduction in the number of jobless. In particular, the link between flexibility and higher employment is not found for those with low qualifications, the group for whom the OECD's recommendations are intended. **Those with poor qualifications in the UK certainly do no better and often are in a worse position than their counterparts in Germany, where protection against dismissal is supposedly a major employment barrier.**

The authors of the study identify a completely different factor as being responsible for British economic success – domestic demand. In 2004 this contributed 2.4% to economic growth in the UK, and in 2005 the figure was 4.1%. In Germany, in contrast, the contribution of domestic demand was negative in both years – minus 0.4% in 2004, and minus

0.8% in 2005. At first sight this may seem surprising, the academics say, as “New Labour has devoted a lot of rhetorical effort to distance itself from ‘old’ Keynesianism and macroeconomic demand management”.

Nevertheless, since taking power from the Conservatives in 1997, the Blair government has created a set of rules which permit an active growth and employment policy. The 1998 Bank of England Act gave the UK's central bank formal independence from the UK Treasury. However, the Chancellor of the Exchequer continues to



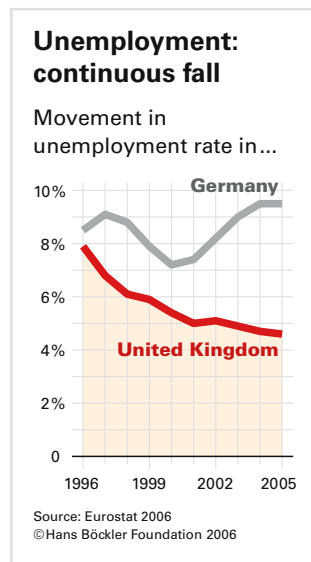
set the level of price stability that is to be achieved. The central bank is free to decide how this result is to be arrived at, but it must regularly report on its monetary (interest rate) policy and if necessary explain why it has failed to hit its inflation target. The advantage is that the Treasury defines the targets for both monetary and financial policy; this avoids both conflicting objectives and problems in co-ordination.

In contrast to the rigid rules of the Euro zone's Stability and Growth Pact, where the government deficit may not

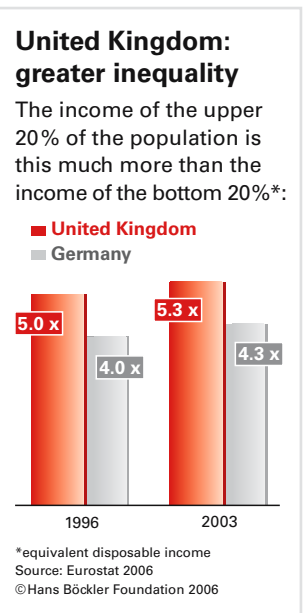
exceed 3% of gross domestic product (GDP), the British have chosen a more flexible solution for their financial policy – the “golden rule”.

This states that government can only borrow for investment, not for current expenditure. “Public spending for investment can (and should) be financed by state deficits,” the authors of the study conclude. Thus the

Blair government, in contrast to many countries in continental Europe, responded to the downturn in the world economy in 2001 with a relatively expansionist financial policy. The British economy recovered, with a growing public sector element: its share of GDP has increased from 37.1% to 41.2% since 1999.



households has grown relatively more strongly than the income of the better off. However, the gap between the richest 10% and the poorest 10% has got larger. The UK remains one of the most unequal countries in Europe. ◀



**The verdict of the researchers is that the precondition for New Labour's economic success has been that “British monetary and financial policy has succeeded in creating a framework in which inflation-free growth is possible”.**

This is where the UK could be a model for Germany. However, the British have not used the longest period of clear economic growth in their country's history to improve social justice.

It is true that, since new Labour took office, the income of the bottom 40% of

\* Source: Oliver Nachtwey, Arne Heise: Großbritannien: Vom kranken Mann Europas zum Wirtschaftswunderland? (The UK – from sick man of Europe to miracle economy?), in WSI-Mitteilungen 3/2006  
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# The long journey to global representation

Whether it is BASF, Nestlé or Volkswagen, employees are increasingly gaining representation at European or indeed international level. But in an era of globalisation, while big groups now operate across all national borders, employee representation in companies and in unions still needs to catch up. These are the conclusions of a study by the Fulda University of Applied Sciences (Fachhochschule Fulda)\*.

Trade unions have for a long time been concerned that employees should not be played off against one another at national level. But that is no longer sufficient. In a world-wide group like VW, it has for a long time not been a question as to whether it is Zwickau in the south-east of Germany or Emden in the north west that gets the go-ahead for a particular product line. The German carmaker is one of ten world-wide groups which have set up a world works council. This body manages the network of links between employee representatives and also regulates the demands on company management for information and consultation. In the view of the study's authors, it is not yet clear how well this is working. The bodies are still in their infancy. Where they have been established, their possibilities for influence are substantial. For example, it has been possible at VW and DaimlerChrysler to reach global agreements to safeguard minimum

set their sites somewhat lower, as they link employee representatives in particular companies on a global or regional basis – these representatives can either come from the unions themselves or be trade unionists elected to represent the whole workforce.

The key aims of these networks are to exchange information, and for those participating to co-operate on the basis of solidarity. In many cases they have – step by step – also involved management in their work. There are around 50 global networks worldwide: half of them in the ranks of the International Metalworkers' Federation. They are attempting to transfer the expertise of the powerful trade unions, in countries with well-established structures, to their colleagues in countries in transformation – in eastern Europe, Africa and south-east Asia. This should help to reduce pressure within companies constantly to push down wages and to worsen

working conditions. However, the researchers do not expect this practice to become universal. The breaking point is the lack of capacity: "GUFs are not in a position to provide the financial, as well as the personnel and organisational resources, necessary to extend the networks beyond a few individual examples, and to guarantee the continuity of the networks."

The so-called grass-roots links have similar problems. Their origins are in the international solidarity movements opposing the oppression of Brazilian and South African trade union movements at the end of the 1970s and the start of the

1980s. Grass-roots activists are employees with trade union sympathies, but they are not always themselves trade unionists or employee representatives. They give of their money and their time to build up relations with colleagues in other countries. The researchers identify "International Solidarity" at VW and the "international DaimlerChrysler network" as examples of long-lasting and relatively wide reaching grass-roots links. However, in total the number of such networks remains low. ◀

## Structures of worldwide employee representation

	World works council	Trade union network	Grass-roots links
<b>Financing</b>	<ul style="list-style-type: none"> <li>unproblematic: financing from company guaranteed through agreement; possibility of using the resources of the leaders of the works council</li> </ul>	<ul style="list-style-type: none"> <li>problematic: financial support through individual affiliated unions, public funds and foundations; no continuity</li> </ul>	<ul style="list-style-type: none"> <li>problematic: partially financed through those directly involved; financial support from churches, foundations and public funds</li> </ul>
<b>Institutional safeguards</b>	<ul style="list-style-type: none"> <li>guaranteed by agreement</li> </ul>	<ul style="list-style-type: none"> <li>none</li> </ul>	<ul style="list-style-type: none"> <li>none</li> </ul>
<b>Participation</b>	<ul style="list-style-type: none"> <li>information and dialogue guaranteed by agreement; in some cases also consultation and negotiation</li> </ul>	<ul style="list-style-type: none"> <li>informal; in some cases information from company management and consultation</li> </ul>	<ul style="list-style-type: none"> <li>hardly exists; at best provided via the leaders of the works council</li> </ul>
<b>Means of putting pressure on top management</b>	<ul style="list-style-type: none"> <li>guaranteed by agreement; backing of the members, above all the leaders of the works council</li> </ul>	<ul style="list-style-type: none"> <li>Public relations work and solidarity actions, backing of those involved in the network</li> </ul>	<ul style="list-style-type: none"> <li>Public relations work and solidarity actions, backing of those involved in the network</li> </ul>
<b>Number today</b>	<ul style="list-style-type: none"> <li>10 in total</li> </ul>	<ul style="list-style-type: none"> <li>around 50</li> </ul>	<ul style="list-style-type: none"> <li>small number</li> </ul>

Source: Müller/Platzer/Rüb, November 2004 | © Hans Böckler Foundation 2006

social standards. However, the researchers do not expect a rapid extension of world works councils, as this form of representation for employees is only possible with the agreement of the employer. In that sense they are "dependent on the political will of senior management and their assessment as to whether they are appropriate".

But some things are possible, even without the approval of management. There were already trade union networks in the 1960s and 1970s. They saw themselves at the time as "company-based centres, around which a wider-ranging trade union internationalism could crystallise" – but failed to make a major impact. Nowadays the networks of the Global Union Federations (GUFs) and their affiliated unions have

\* Source: Thorsten Müller, Hans-Wolfgang Platzer, Stefan Rüb: Weltbetriebsräte und globale Netzwerke – Instrumente globaler Solidarität? (World works councils and global networks – instruments of global solidarity?), in WSI-Mitteilungen 1/2006  
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## Imprint

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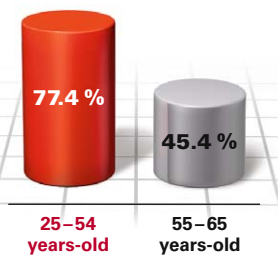
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## TrendTableau

### LABOUR MARKET

#### One in two older people is out of work

The proportion of the age-group employed is ...

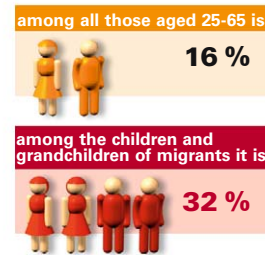


Annual average for Germany 2005, Eurostat 2006

### EDUCATION

#### Problems for the second generation of migrants

The percentage who have not completed vocational training ...

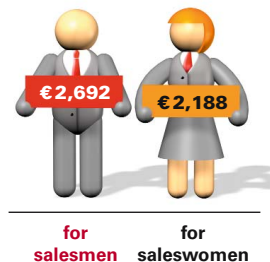


Situation in 2005; Federal Education Report 2006

### GENDER

#### Women earn a lot less

Average monthly earnings in wholesale are ...



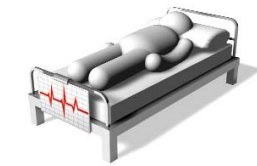
WSI-Loohnspiegel, March 2007

### HEALTH

#### Unequal risk

Out of 100,000 inhabitants died of heart attacks in ...

United Kingdom	123
Germany	110
France	45

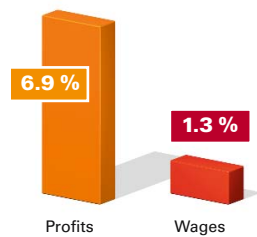


Data from 2004 (Germany) and 2003 Eurostat 2007

### INCOME

#### Good profits, poor wages

Growth in 2006 in income from business activity and property, and in wages (current prices)



Federal Statistical Office Germany, January 2007

### EAST WEST

#### 1 in 15 commutes to the West

Of the 6.01 million working people in East Germany, the number employed in the West is:



IWH, December 2006

### CO-DETERMINATION

#### Falling behind on European Works Councils

The proportion of companies covered by the European Works Council directive which have an EWC is:

Sweden	47.5%
United Kingdom	41.1%
France	37.6%
Germany	27.3%

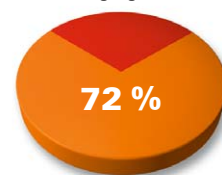
European Works Councils Database 2005

### SATISFACTION

#### Decision-makers value the welfare state

The impact of the German welfare state on the country has been ...

damaging 18%



beneficial

Survey of 646 leading figures in business and politics Capital "Elite-Panel", March 2007

► **WORKING TIME:** Workplaces in Germany are in first place when ranked according to the length of time open or in production. This was revealed by a study of both individual working time and overall operating time undertaken by sfs Dortmund, a social research centre. Organisations averaged 64 operating hours a week – significantly longer than individual

working time. The increased flexibility provided by staggered shifts and time-banking has – in the view of the centre – allowed operating periods to be decoupled from collectively agreed working time. In large plants almost two-thirds of the employees have time banking systems, and it is more than a quarter in smaller plants. sfs Dortmund, March 2007

**EDUCATION:** Fewer school-leavers are deciding to take the next step and move on to university, according to figures from the university information system (HIS). In 2005, only 69% of school-leavers, who had gained the equivalent of 'A levels' and were therefore qualified to take a place, went on to study, compared with 73% three years earlier. As this drop in take-

up only affected male students, in 2005, for the first time, the same proportion of women and men went on to higher education. The research found that two-thirds chose not to go to university because they wanted to become financially independent as quickly as possible, and a quarter said they were scared off by student fees. HIS, January 2007

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