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Hartmut Hirsch-Kreinsen

Innovation and the financial market

The article addresses the relationship between technological innovation and finance, thereby examining the interplay between the two driving forces of capitalist society. First, structural problems of financing innovation are discussed and interdependencies between the institutionalised conditions of the financial market and the innovation strategies pursued by the enterprises examined. Second, it will be shown how these financial problems have traditionally been solved in the context of the German system of innovation. Third, the consequences of the internationalisation of the financial market for this system will be discussed. Finally, hypotheses concerning the development perspectives of this innovation system will be presented. A differentiation of the existing German “insider-dominated” innovation system can be observed. On the one hand, traditional innovation systems are being eroded under the influence of the international financial market. On the other hand, new innovation systems are opening up. In the long run however, the change processes in the financial markets will lead to a decrease in the importance of previously high-quality technological innovations which have traditionally built incrementally on prior advances – something that has been a main feature of the German innovation system in the past.

Werner Nienhüser/Heiko Hoßfeld

Decentralization of the collective bargaining system from the perspective of managers and works councils

Critics of the German system of industry-wide collective agreements demand that this system be rejected in favour of increased bargaining at plant level. It would be the individual company and all the actors involved there who would face the consequences of this decentralization of collective bargaining. In a survey of 1000 companies the human resources managers and the works councils were interviewed regarding decentralization and the anticipated consequences that would be incurred with the shift of bargaining to the plant level. Furthermore the differences in the actors' perceptions from company to company were analysed. The results show that the majority of managers are proponents of decentralization whereas most works councillors are opposed. Both sides are more sceptical about decentralization if the company is bound to a collective agreement. The works councillors' opposition to decentralization is also stronger when the firm's union density is high.

Birgit Geissler

Private households as a reservoir of workplaces? The acceptance and rejection of household services

The modernisation of life styles indicates a growing demand for household services. Nevertheless, despite financial support for those involved – i.e.: tax-related benefits, to date there is no sign that a regular labour market for household services has developed. Based on data collected from an empirical survey in 2007/2008, this article examines the potential demand for household services and the obstacles. The thesis put forward was that socio-cultural attitudes block the acceptance of services in the private field. Demand is therefore not regulated via price, but habits, attitudes and patterns of interpretation. Households in east and west Germany were questioned in qualitative theme-based interviews. At the same time there was a representative quantitative collection of information. The research confirmed the initial hypothesis. However, there are signs that a demand for regular services of this nature could develop.

Reinhard Bispinck/WSI collective agreement archive

2009 annual report on collective bargaining

Despite the economic crisis, unions achieved remarkable results in the pay round 2009. The average increase in collectively agreed pay was 2.6 % (calculated on an annual basis), so that the pay agreements exceeded the very moderate increase of living costs by 2.2 %. However, the effective pay per employee declined by 0.4 % - and when price-adjusted by 0.8 %. For six years employees have suffered cuts in real wages. The main reasons for this are short-time work and deductions from pay through the application of collectively agreed opening-clauses.

Thorsten Schulten

WSI Report on Minimum Wages 2010 – Different strategies under the conditions of economic crisis

The WSI Report on Minimum Wages 2010 gives an overview on the current developments of minimum wages in Europe and selected non-European countries. Evaluating the WSI Minimum Wage Database the report provides current data on the level and development of statutory minimum wages. It is shown that under the conditions of economic crises the various countries follow rather different strategies. While many countries have frozen their minimum wage levels, other countries have seen significant increases. As an instrument to fight the economic crisis minimum wages could make a major contribution towards stabilising private demand and avoiding deflation.