UPGRADING GERMAN PUBLIC SERVICES

The role of trade union campaigns and collective bargaining with regard to working conditions in day care centres, primary education and hospitals

Thorsten Schulten, Daniel Seikel

SUMMARY

The development of the public sector in Germany during the last decade differs fundamentally from the experiences of many other European countries. In many respects Germany can be seen as forerunner of public sector reforms in Europe. Austerity-driven reforms of the public sector have been conducted long before the crisis, already starting in the 1990s. During this phase, public employment decreased and working conditions deteriorated. Privatizations led to a fragmentation of collective bargaining. However, the development of the German public sector changed direction in the second half of the 2000s. Since then, public sector employment increased and working conditions have been improved. This holds true, in particular, for public care services such as the three branches analysed in this study: day care centres, primary education and hospitals. As this study shows, trade unions played a major role in this process of upgrading public services.
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1 Introduction

In comparative perspective, the evolution of employment and working conditions in the public sector in Germany is exceptional. Germany was hit by the global financial crisis much less hard than many other EU member states and recovered comparatively quickly from the economic downturn. Accordingly, the public sector was not affected by the crisis. On the contrary, the outbreak of the crisis coincided with a moderate improvement of working conditions and expansion of employment in the public sector, which stand in sharp contrast to developments in many other European countries.

However, the public sector in Germany has been subjected to far-reaching reforms in the past (Dribbusch and Schulten 2007). Many reforms introduced in other European countries in response to the crisis were implemented in Germany long before the crisis. ‘Austerity’ policies had become dominant in Germany already in the 1990s and 2000s. In this sense, Germany is a forerunner of contemporary public sector reforms in Europe. In this study, we analyse public sector development in three sectors: primary education, hospitals, and municipalities, focusing on day care centres. As we show in the case studies, trade union strategies played an important role in the improvement of working conditions. Three strategies contributed to the trade unions’ success: (i) scandalizing working conditions (above all, in terms of workload and work intensity); (ii) linking working conditions to the quality of public services and (iii) legitimising trade union demands by connecting them to issues such as gender equality and recognition and upgrading of care work in a broader sense.

In the remainder of this study we first give an initial overview of the public sector in Germany (section 2). In sections 3 to 5, we present our three case studies: the municipalities, taking the example of day care centres, primary education and hospitals. Finally, Section 6 summarizes and compares the findings.

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1 This study was conducted for the project ‘Bargaining and Social Dialogue in the Public Sector’ (BARSOP), financed by the European Commission, Industrial Relations and Social Dialogue Programme (Project VS/2016/0107). For this study we conducted several interviews with representatives from the sectors analysed and the responsible trade unions GEW and ver.di. We are grateful for all the valuable information we obtained from our interview partners.
2 The German public sector – an overview

2.1 Profile of the public sector

Changes in working conditions in the public sector in Germany are not a result of growing budget deficits caused by the financial and debt crisis. Public sector employment was under constant pressure long before the crisis (Brandt and Schulten 2008a; Keller and Seifert 2015: 15–16). Major cutbacks were implemented in times of high structural deficits already during the 1990s when German unification imposed constraints on public budgets (Keller 2013: 363). Part of this development was the implementation of reforms based on so-called ‘New Public Management’ ideas (Ellguth and Kohaut 2011: 12). Public sector reforms were also a result of efforts to meet the criteria of the Stability and Growth Pact in the run-up to economic and monetary union (Keller 2016: 193; Vesper 2016: 16–17). Finally, Germany decided to implement several waves of privatization during the 1990s and 2000s (Brandt and Schulten 2008b).

Figure 1: Employment in the public sector, 1992-2016 (1992 = 100)

Source: Statistisches Bundesamt, Fachserie 14 Reihe 6, several volumes; cf. Keller and Seifert (2015: 3).

From 1992 to 2007, public sector employment was cut from 6.66 million to 4.54 million – a decrease of 32 per cent (Table 1). Employment cutbacks were particularly strong at federal level, especially in the areas of military defence and railway transport (Vesper 2016: 17). Privatizations account for half of the reductions. Compared with other OECD countries, as a consequence of the public employment cuts, Germany has a medium-sized public sector (Keller 2016: 192–93). Furthermore, working conditions have deteriorated substantially. Meanwhile, forms of atypical employment – such as...
fixed-term, part-time and marginal employment – are widespread in the public sector. Today, atypical employment is as frequent in the public sector as in the private sector.² At the same time, the chances of changing from atypical to normal, better protected employment are significantly smaller in the public than in the private sector (Keller 2016: 197). Moreover, special benefits such as Christmas and vacation bonuses were reduced or abolished, and working hours were extended (Keller 2013: 361). In addition, the working time of public sector workers was increased. The working time of civil servants was increased from 38.5 to 40 hours at federal level and in some Länder even to 42 hours (Dribbusch and Schulten 2007: 170–172). As a result of these reforms, the public sector ceased to be a ‘model employer’ (Keller 2016: 198). Up to the crisis, the drastic reorganization of the German public sector was without precedent or parallel in the EU (Keller 2013: 364).

Notably, the turning point of the development of public sector employment coincides with the outbreak of the financial crisis. Since 2007, public service employment has been slowly growing, reaching 4.69 million persons in 2016 (Figure 1 and Table 1). When taking into account only the federal state (Länder) and the municipal level, job growth during this period roughly amounts to 9.2 per cent as compared with only about 3.3 per cent across all levels of government.

Table 1: Number of employees in the German public sector, 2016

<table>
<thead>
<tr>
<th></th>
<th>Public service</th>
<th>Private companies in which public holds majority of shares</th>
<th>Total public sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal level</td>
<td>489,460</td>
<td>203,380</td>
<td>692,840</td>
</tr>
<tr>
<td>Länder level</td>
<td>2,364,095</td>
<td>163,120</td>
<td>2,527,215</td>
</tr>
<tr>
<td>Municipalities</td>
<td>1,464,410</td>
<td>793,440</td>
<td>2,257,845</td>
</tr>
<tr>
<td>Social insurance</td>
<td>371,055</td>
<td>39,300</td>
<td>410,355</td>
</tr>
<tr>
<td>Total</td>
<td>4,689,020</td>
<td>1,199,240</td>
<td>5,888,260</td>
</tr>
</tbody>
</table>


As regards wage development, a similar trend can be observed (Figure 2.). Between 2004 and 2007, collectively agreed wages in the public sector lagged significantly behind the metal sector and the total economy. The latter was the result mainly of a more fundamental reform of the public sector wage system, which was accompanied by very low wage increases (Dribbusch and Schulten 2007). After 2007, wages in the public sector realigned with developments in other sectors, yet without closing the gap.

² For a detailed analysis, see Keller and Seifert (2015). However, the risk of precariousness (low wages, employment instability, old-age poverty) still is much lower in the public than in the private sector.
The public sector’s development throughout the crisis contributed to the demand-stimulating fiscal and economic policy that helped to overcome the economic downturn in Germany relatively quickly (Vesper 2016: 17). The development of public sector employment in Germany is especially remarkable since it is in sharp contrast to trends in many other European countries.

Thus, the imposition of ‘austerity’ in the German public sector is not connected to the financial crisis as in other euro-countries. It was partly driven by monetary integration, but at a different point in time.

Although public sector employment has increased recently, the former trend of cutbacks and deteriorating working conditions may well be resumed in the future because a so-called ‘debt brake’ has been established in German constitutional law (Art. 109 GG) and at EU level (in the form of the ‘Fiscal Compact’) (Keller and Seifert 2015: 23; Seikel 2016: 1404). The German Länder will comply with the rules of the debt brake starting in 2020, which in all likelihood will put even stronger pressures on public budgets and thus further retrenchment (Keller 2014: 400).

2.2 Industrial relations in the public sector

In the German public sector, there are two types of employment status: civil servant (Beamte) and public employee (Ellguth and Kohaut 2011: 12; Keller 2014: 389; 2016: 191). Public employees have the same legal status as employees in the private sector. They have the right to strike and their
Working conditions are regulated by collective agreements and labour law (Keller 2013: 360). In contrast to public employees, civil servants have a special legal status that guarantees lifelong employment. Moreover, civil servants have a separate social security system and do not have to pay social contributions. The legislature unilaterally defines the working conditions of civil servants. Civil servants do not have the right to strike (Keller 2013: 360; 2016: 191) – although this is contested and the unions are calling for this prohibition to be abolished (Brüchert and Gehrke 2017). The civil servants’ interest representing organizations have the formal right only to be consulted during the legislative process (Keller 2013: 367). In practice, these rights have become functional equivalents of collective bargaining rights (Keller 2016: 203). Thus, working conditions are not determined by collective agreements. In the past, the results of collective bargaining rounds for the public sector were nevertheless usually applied to civil servants (Keller 2013: 360), but since 2006, this is no longer always the case.

The collective bargaining system of the public sector is highly centralized at national level (Keller 2013: 366; 2014: 394). Before the mid-2000s, the federal state, the Länder and municipalities formed a bargaining association and negotiated jointly with the trade unions on the working conditions of public sector employees at all levels of government. Public sector employees and civil servants are represented by ver.di (Vereinte Dienstleistungsgewerkschaft), with about 2 million members, GEW (Gewerkschaft Erziehung und Wissenschaft), with about 266,000 members, and GdP (Gewerkschaft der Polizei), with about 173,000 members. The main representative organization for civil servants is DBB (Beamtenbund und Tarifunion); however, there are also 370,000 employees among its 1.28 million members (Keller 2014: 393; 2016: 205–207). The trade unions formed a bargaining association in 2007 (Keller 2013: 366).

In 2003, the Länder left the bargaining association of public sector employers; they no longer accepted the role of the federal government as leader of the negotiations. Since then, the bargaining association of the Länder, the Tarifgemeinschaft deutscher Länder (TdL), has negotiated independently and concludes collective agreements for the relevant portion of the public sector, with the exception of Hesse, which left the TdL in 2004. The federal government and municipalities maintained their bargaining association and continue to conclude their own collective agreements. In 2005, the federal government, the municipalities and the trade unions concluded a new framework agreement (Tarifvertrag öffentlicher Dienst, TVöD), which replaced the former framework agreement (Bundesangestelltentarifvertrag, BAT) that had existed for 45 years. The TVöD established a uniform pay scale for blue- and white-collar workers. Furthermore, it introduced a new low pay rate below the lowest rate of the BAT, which is supposed to prevent further outsourcing. The new collective agreement contained opening clauses for a limited extension of the working time of municipal employees (Dribbusch and Schulten 2007: 171–72). In 2006, the TdL and the trade unions also concluded a new framework agreement for Länder public sector employees (Tarifvertrag für den öffentlichen Dienst der Länder, TV-L), which took over the main features of the TVöD (Dribbusch and Schulten
2007: 170; Ellguth and Kohaut 2011: 12; Keller 2013: 367; 2014: 394). The split on the side of the public employers has led to a decentralization and fragmentation of collective bargaining, but only to a rather moderate and limited degree, because all the Länder except Hesse still conclude collective agreements at national level (Keller 2013: 367).

Table 2: Main collective agreements in German public services, 2018

<table>
<thead>
<tr>
<th>Level</th>
<th>Collective agreements</th>
</tr>
</thead>
<tbody>
<tr>
<td>National and municipal level</td>
<td>Nationwide public sector collective agreements for national government municipalities (<em>Tarifvertrag öffentlicher Dienst, TVöD</em>)</td>
</tr>
<tr>
<td>Federal state level</td>
<td>Nationwide public sector collective agreements for federal states (<em>Tarifvertrag für den öffentlichen Dienst der Länder, TV-L</em>)</td>
</tr>
<tr>
<td></td>
<td>Separate collective agreement for the federal state of Hesse (<em>Tarifvertrag Landesdienst Hessen, TV-H</em>)</td>
</tr>
</tbody>
</table>


In 2006, a reform of the German federal system – *Föderalismusreform I* – transferred the competence to regulate the working conditions of civil servants to the Länder themselves. This new ‘sovereignty’ has resulted in more heterogeneous working conditions for civil servants (Keller 2013: 368).

In contrast to the private sector, bargaining coverage in the public sector is stable (Ellguth and Kohaut 2017: 281). Collective bargaining coverage (79 per cent4) and trade union density (60 per cent) are traditionally higher in the public than in the private sector (Ellguth and Kohaut 2011: 12–13, 16; Keller 2013: 365–66). This demonstrates the relative stability of industrial relations in the public sector.

The far-reaching privatization and liberalization of public services in the areas of public transport, energy, communication, water, waste disposal and hospitals has had a major impact on industrial relations and working conditions in these now private, formerly public sectors (Keller 2014: 397–98; Schulten and Brandt 2008b, 2012). The withdrawal of privatized companies from public sector collective bargaining has led to the emergence of new sectoral industrial relations regimes in the liberalized sectors and thus to a substantial fragmentation of the former collective bargaining system (Keller 2014: 398). In general, in the privatized sectors, collective bargaining coverage is significantly lower and working conditions have deteriorated.

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3 Berlin left the TdL, too, but joined it again in 2013.

4 If company agreements are included, collective bargaining coverage amounts to 93 per cent (Ellguth and Kohaut 2011: 16–17).
3  Day Care Centres

3.1  Profile of the sector

From the 1990s onwards the German child care system overall entered a period of transformation that led to a fundamental modernization of preschool child care and a significant expansion of child care facilities (Kerber-Clasen 2017a). Traditionally, (West) Germany belonged to the group of ‘conservative’ welfare states (Esping-Andersen 1990) with a corresponding ‘gender regime’ (Schmidt 2012) that was largely based on a male-breadwinner model and a fairly low female labour participation rate. Against that background the standard pre-school child care model was that of a ‘kindergarten’, which cared for children aged between three and six, although mainly on a half-day basis. Moreover, child care for children below the age of three was an absolute exception, so that usually mothers stayed at home during that period. The image of working in child care was rather poor and it was often not seen as a qualified profession. Thus, the pay and working conditions of day care workers were also rather low.

The transformation of the German child care system started at the beginning of the 1990s with the adoption of a new ‘Law on Child and Youth Welfare’ (Kinder- und Jugendhilfegesetz, KJHG), which aimed at a fundamental realignment of the German day care system, including an upgrading of day care work as a profession and an extension of the scope of day care facilities. Among other things, the reform provided that, from 1996 onwards, every child should be entitled to a day care place. In practice, however, the number of day care centres increased only slightly during the 1990s (Autorengruppe Fachkräftebarometer 2017: 22), so that there continued to be a lack of day care facilities, in particular in larger West German cities. One major problem was that the responsible public authorities at federal state and municipal level did not provide sufficient funding for an extension of day care centres due to large public deficits and the dominant austerity policy.

After the so-called ‘Pisa-shock’ in the early 2000s, when several OECD studies gave Germany rather bad grades from an international comparative perspective, the idea that the entire German education system needs substantial improvement became the dominant view in all major political parties and social organizations. Against that background, from the mid-2000s the development of German day care centres entered into a second reform phase, in which now much more resources were provided for the system, including some special nationwide programmes to support the expansion of day care facilities (Conrads et al. 2016; Meiner-Teubner et al. 2016). The latter also became necessary as traditional family and gender patterns

5 Under the “socialist model” of the former German Democratic Republic (GDR) things were rather different; the female labour participation rate was very high and was supported by a comprehensive system of day care centres. Although development in eastern Germany since unification has in many respects rather assimilated to western German patterns, there are still some remarkable differences regarding the profile and scope of day care centres in both parts of Germany (Schober and Stahl 2014).
came into question and the labour market participation of women – at least on a part-time basis – increasingly became the standard model. One response to these trends was to extend entitlement to a day care place to children from the age of one in 2013.

According to the German Statistical Office, in 2017 Germany had more than 55,000 publicly-funded day care centres, in which nearly 600,000 workers care for about 3.5 million children (see Table 3). Since 2006 the number of day care centres has increased by nearly 15 per cent, while the number of day care workers has increased by around 70 per cent (Figure 3). The latter indicates that care time was also significantly extended, so that most facilities now offer care for the whole day (usually from 8:00 to 16:00 or even longer).

The nearly 600,000 workers currently employed by day care centres correspond to around 480,000 full-time jobs. A majority of 60 per cent of all day care workers have only a part-time contract (Figure 4). The majority of part-time employees work between 21 and 32 hours per week. There is also a significant proportion of part-time workers with either 32 to 38.5 hours or 10 to 21 hours. Only 40 per cent of day care workers have a full-time contract with 38.5 hours a week or more. Moreover, 80 per cent of day care workers have a permanent contract, while around 15 per cent work on a temporary basis and further 5 per cent are interns and other non-permanent staff (Statistisches Bundesamt 2017a).

Table 3: German day care centres – key figures 2006 and 2017

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2017</th>
<th>Change 2006/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of day care centres</td>
<td>48,201</td>
<td>55,293</td>
<td>+ 14.7 %</td>
</tr>
<tr>
<td>Public</td>
<td>17,759</td>
<td>18,228</td>
<td>+ 2.6 %</td>
</tr>
<tr>
<td>Non-public*</td>
<td>30,442</td>
<td>37,065</td>
<td>+21.8 %</td>
</tr>
<tr>
<td>Number of workers**</td>
<td>355,710</td>
<td>599,772</td>
<td>+ 68.6 %</td>
</tr>
<tr>
<td>Male</td>
<td>11,485</td>
<td>35,088</td>
<td>+205.5 %</td>
</tr>
<tr>
<td>Female</td>
<td>344,225</td>
<td>564,684</td>
<td>+ 64.0 %</td>
</tr>
<tr>
<td>Full-time equivalents**</td>
<td>281,558</td>
<td>483,488</td>
<td>+ 71.7 %</td>
</tr>
<tr>
<td>Number of children</td>
<td>2,954,928</td>
<td>3,499,206</td>
<td>+ 18.4 %</td>
</tr>
<tr>
<td>Care rate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>for children &lt; 3 years</td>
<td>15.5%</td>
<td>37.7%***</td>
<td>+ 143.2 %</td>
</tr>
<tr>
<td>for children ≥ 3 years</td>
<td>89.0%</td>
<td>93.6%***</td>
<td>+5.2 %</td>
</tr>
</tbody>
</table>

* Mainly non-profit and a very small number of private for-profit day care centres.
** Pedagogic and administrative staff.
*** Data for 2016.

Source: Statistisches Bundesamt 2017a, WSI calculations.

The official German statistic on day care centres was fundamentally revised in 2006, so that no comparable data are available for the period before 2006 (Statistisches Bundesamt 2017a).
Child care has always been a female-dominated sector. In 2017, 94 per cent of all day care workers were women. However, since 2006 the proportion of male workers in day care centres has almost doubled, from 3.2 to 5.9 per cent (Figure 3). In absolute terms the number of male day care workers has even tripled (Table 3).

Figure 3: Number of workers* in German day care centres, 2006-2017**

* Pedagogic and administrative staff.
** Until 2008: 15 March of the respective year; since 2009: 1 March.

Source: Statistisches Bundesamt 2017a, WSI calculations.
The number of children who attend a day care centre has increased by around 18 per cent since 2016. While the care rate of children aged three or above grew from 89 to 94 per cent, the care rate of children below the age of three has more than doubled, from 16 to 38 per cent (Table 3). In comparison with many other European countries, however, the care rate for children below the age of three is still rather low (Seils 2013).

In terms of the structure of day care providers, there have always been two major groups in Germany (Figure 5). One is public day care centres, run mainly by the municipalities. Public day care centres represent about one-third of all day care facilities. The other two-thirds are run by non-profit providers. The largest among them are the two large Christian churches and their welfare organizations Caritas and Diakonie, which represent half of all non-profit day care centres (Figure 6). Large non-profit providers also include welfare organizations Arbeiterwohlfahrt and the German Red Cross, as well as the Paritätische Wohlfahrtsverband. The letter functions as an umbrella organization for many smaller providers.
There is also a large number of small and local day care providers, among them so-called ‘parents’ initiatives’ run by private parents’ clubs. Finally, there is only a very small proportion of private for-profit day care providers, which represent around 3 per cent of all day care facilities. Among the latter are also a few company-related day care centres, which can be found at some larger firms.
3.2 Industrial relations

The diversified composition of day care providers in Germany corresponds to a rather diversified structure of industrial relations (*Table 4*). The public day care centres are integrated into the special industrial relations regime for the public sector. They are usually covered by the nationwide public sector collective agreement for municipalities and the federal government TVöD. The latter is negotiated between the federal government and the Municipal Employers’ Association (*Vereinigung der kommunalen Arbeitgeberverbände*, VKA), on one hand, and a broad consortium of trade unions affiliated to either the German Confederation of Trade Unions (*Deutscher Gewerkschaftsbund*, DGB) or the German Civil Servants Association DBB, on the other hand. There are also some special provisions within the TVöD for education and social workers (including day care centres), such as, in particular, a separate wage table for these professions.
Table 4: Collective bargaining in German day care centres, 2018

<table>
<thead>
<tr>
<th>Public</th>
<th>Nationwide public sector collective agreements for municipalities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-profit</td>
<td>'In-house arrangements' (church-related day care centres)</td>
</tr>
<tr>
<td></td>
<td>Company agreements at regional or local level (<em>Arbeiterwohlfahrt</em>, German Red Cross and some other)</td>
</tr>
<tr>
<td></td>
<td>No collective agreement (most organizations under the umbrella of the <em>Paritätische Wohlfahrtsverband</em> plus most other non-affiliated providers)</td>
</tr>
</tbody>
</table>

| Private for-profit | Company agreements or no collective agreement |

Source: WSI Collective Agreement Archive 2018; GEW 2016.

Considering non-public day care centres the collective bargaining structure is rather fragmented (GEW 2016). The day care facilities related to the two Christian churches and their welfare organizations *Caritas* and *Diakonie* adhere to the industrial relations regime that operates within Christian church–related organizations (Klute and Segbers 2006; Jähnichen et al. 2015): this is characterised by a special legal status based on the German constitution, which guarantees the churches full autonomy in regulating their internal affairs and therewith enables them to partly withdraw from German labour law. As a result, industrial relations within church-related organizations are usually not covered by collective agreements. Instead, they conclude special ‘in-house’ arrangements that are negotiated within internal labour commissions (*Arbeitsrechtliche Kommissionen*) composed of employer and employee representatives on a parity basis. In most areas, church-related organizations do not accept either collective bargaining or employees’ right to strike. There are only some regional exceptions, especially in northern Germany, where church-related organizations are also part of regular collective bargaining (Wegner 2015). In practice, however, working conditions in church-related day care centres closely follow the public sector collective agreements, even though more recently the correspondence has become somewhat looser.

The other larger welfare organizations such as *Arbeiterwohlfahrt* or the German Red Cross usually conclude company agreements at regional level, whose provisions have in recent times often been somewhat below the level of the public sector (GEW 2016). In some regions the day care providers under the umbrella of the *Paritätische Wohlfahrtsverband* have created a joint bargaining commission, which negotiates collective agreements at regional level. In many regions, however, these organizations also have no collective agreement at all. The same holds true for most of the smaller non-affiliated day care providers, as well as for the small number of private for-profit facilities.
By far the largest trade union organizations representing day care workers are two DGB affiliates: the Unified Services Union ver.di and the Trade Union for Education and Science GEW, both of which represent day care workers in all public and non-public day care facilities. Considering the fragmented collective bargaining landscape in the sector, the unions’ principal demand is that all day care workers should be covered by collective agreements and that these agreements should be at the level of the agreement for public day care centres (GEW 2016).

3.3 Working conditions

In recent years the working conditions of day care workers have attracted increasing interest among both the political and the academic community, leading to a couple of new comprehensive studies (for example, Hanssen et al. 2014, Institute DGB-Index Gute Arbeit 2015, Schreyer et al. 2014, Schreyer and Krause 2016, Spieß and Storck 2016). All these studies have drawn a rather ambiguous picture of working conditions in day care centres. On one hand, they found that most day care workers have a high degree of satisfaction with their job, based on very strong identification and a strong intrinsic motivation with their pedagogical work. On the other hand many day care workers claim a lack of societal acknowledgement and esteem. Although day care workers have received more attention in the public discourse due to the enhancement of pre-school education, this new appreciation is largely rhetorical and has not yet materialised in better pay and working conditions.

On the contrary, most day care workers think that in comparison to many other professions their pay is largely inadequate (Figure 7). According to the public sector collective agreement, in 2018 skilled child care workers (Erzieher/innen) in public facilities earn between 2,500 and 4,000 euros gross per month (Table 5). For less qualified child care assistants (Kinderpfleger/innen) the monthly pay can vary between 2,100 and 3,100 euros. Only the heads of day care centres are usually able to earn well above 3,000 euros and up to more than 5,000 euros in exceptional cases, at very large day care centres. Day care workers in church-related facilities are usually paid similar rates to their public sector colleagues, while pay in other non-public centres is often somewhat below that level (Eibeck 2014; Schreyer et al. 2017). As the bulk of day care workers earn between 2,000 and 3,000 euros (Stoll et al. 2014), their pay is far below, for example, the pay of teachers in primary education (see section 4) or the pay of most skilled workers in manufacturing.
Table 5: Monthly gross basic pay of workers in public day care centres, 2018* (in euros)

<table>
<thead>
<tr>
<th>Pay grade</th>
<th>Profession</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>S 18</td>
<td>Head of day care centre (Leitung)</td>
<td>3610.85</td>
<td>3731.18</td>
<td>4212.65</td>
<td>4573.72</td>
<td>5115.35</td>
<td>5446.34</td>
</tr>
<tr>
<td>S 17</td>
<td></td>
<td>3251.68</td>
<td>3580.74</td>
<td>3971.91</td>
<td>4212.65</td>
<td>4694.07</td>
<td>4976.93</td>
</tr>
<tr>
<td>S 16</td>
<td></td>
<td>3169.89</td>
<td>3502.52</td>
<td>3767.30</td>
<td>4092.27</td>
<td>4453.35</td>
<td>4670.01</td>
</tr>
<tr>
<td>S 15</td>
<td></td>
<td>3053.02</td>
<td>3370.09</td>
<td>3610.85</td>
<td>3887.67</td>
<td>4333.00</td>
<td>4525.56</td>
</tr>
<tr>
<td>S 8b</td>
<td>Child care worker (Erzieher/innen)</td>
<td>2599.20</td>
<td>2892.66</td>
<td>3123.23</td>
<td>3458.61</td>
<td>3773.03</td>
<td>4014.09</td>
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<td>S 8a</td>
<td></td>
<td>2578.24</td>
<td>2829.77</td>
<td>3028.90</td>
<td>3217.56</td>
<td>3400.97</td>
<td>3592.24</td>
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<td>S 4</td>
<td>Child care assistant (Kinderpfleger/innen)</td>
<td>2369.42</td>
<td>2632.35</td>
<td>2795.96</td>
<td>2906.97</td>
<td>3012.14</td>
<td>3175.99</td>
</tr>
<tr>
<td>S 3</td>
<td></td>
<td>2205.83</td>
<td>2476.93</td>
<td>2634.10</td>
<td>2778.42</td>
<td>2844.45</td>
<td>2923.32</td>
</tr>
<tr>
<td>S 2</td>
<td></td>
<td>2106.31</td>
<td>2217.34</td>
<td>2299.13</td>
<td>2392.62</td>
<td>2486.09</td>
<td>2579.59</td>
</tr>
</tbody>
</table>

Note: * As laid down in the pay scale for education and social workers of the national public sector agreement for municipalities (TVöD); valid from 1 July 2017 to 28 February 2018.

Source: WSI Collective Agreement Archive 2018

Apart from pay, day care workers are affected above the average by physically and psychologically demanding working conditions (Klaudy et al. 2016, Figure 7). This holds true for hard manual work, work in an unfavourable work posture and work under very noisy conditions. In addition, day care workers are often confronted with socially challenging and contradictory demands. As a result, their risk of psychosomatic or psychological damage, such as burnout, is also well above average (Jungbauer and Ehlen 2013). Finally, many child care workers deplore the fact that, because of workload and pressure, they have to lower their sights regarding quality standards (Figure 7). The latter is closely linked with a comparatively high ratio of child care workers and children, which has only slightly improved in recent years (Meiner-Teubner et al. 2016, Figure 8), despite the overall increase of resources in the sector.
Figure 7: Survey on working conditions of day care workers and other profession, 2012-2014 (in %)

Source: Institute DGB-Index Gute Arbeit 2015.

Figure 8: Children per day care worker ratio in Germany, 2012-2017

Source: Statistisches Bundesamt 2018
3.4 Current developments in collective bargaining

For a long time collective bargaining in day care centres was barely visible. As far as public centres are concerned, they were just one of many sub-branches covered by the overall collective agreements for the public sector. The same holds true for non-public day care centres, which were covered by the collective bargaining system of the respective welfare organizations and usually had no separate negotiations.

The situation changed during the 2000s when public day care centres started to play a larger role in public sector negotiations, especially for trade union mobilization and industrial action. Traditionally, public sector collective bargaining in Germany was very much dominated by public transport and rubbish collection, which were the two sub-branches with the highest and most militant union membership (Dribbusch and Schulten 2007). As these two sub-branches were largely separated from public sector collective bargaining due to economic restructuring and privatization, other groups of workers – especially from social and health care branches – moved centre stage (Keller 2016).

In addition, day care workers started to express growing dissatisfaction with the employment and working conditions, which did not fit the increasing societal demands for qualified pre-school education. When in 2005 the collective bargaining parties agreed on a fundamental reform of the public sector pay system it also affected the wage classifications of public day care workers. After the bargaining parties concluded a new wage system for public day care workers during regular public sector bargaining, they agreed to have, for the first time, an additional separate bargaining round for day care in 2009.

The trade unions had already launched a broad public campaign in 2007 under the slogan ‘Improve opportunities – demand recognition!’ (‘Chancen Fördern – Anerkennung Fordern!’), which argued that better pre-school education needs better pay and working conditions for day care workers.

In the 2009 collective bargaining round, the unions demanded a substantial upgrading of day care workers’ pay, as well as various measures to improve health and safety at the workplace (for the following, see Kerber-Classen 2014, 2017a; Kutlu 2013). After the negotiations failed, because – in the unions’ view – the public employers did not make an adequate offer, the unions called for industrial action and organised the first nationwide strike of day care workers. The strike was even more remarkable as it took place against the background of the global economic crisis, when other sectors followed a strategy of concession bargaining in order to safeguard jobs. However, as the German public sector was not really hit by the crisis, the unions were able to run an offensive bargaining round for day care workers, which finally led to an agreement on the introduction of a new
separate wage table for education and social workers within the framework of the public sector collective agreements. For day care workers the new wage table led to wage increases of between 100 and 400 euros per month, depending on status and length of employment in a day care centre (Bispinck 2010). Although the results of the first separate bargaining round for day care workers were widely received as a success for the unions, it was clear right from the beginning that this would only be a first step.

Therefore, in 2014 the unions renewed their campaign under the slogan ‘That’s really good – now let’s have a pay rise [lit. ‘upgrade now!’]!’ (‘Richtig gut – Aufwerten jetzt!’), focused mainly on the message that good work needs good pay. For the 2015 bargaining round the unions demanded a further substantial upgrading of day care workers pay of – on average – about 10 per cent (Pieper and Wegner 2015).

The second separate collective bargaining round for day care workers in 2015 was again rather conflictual and led to another nationwide strike lasting about four weeks (Kerber-Clasen 2017b; Kutlu 2015). After the union members rejected an offer arising from arbitration, a final agreement was reached which led to wage increase of about 3 per cent for child care assistants, 4.4 per cent for skilled day care and up to 11 per cent for heads of day care centres (Bispinck 2016). For many day care workers this result was far behind their expectations, so that the upgrading of day care workers’ wages will remain on the trade union agenda.

Several lessons can be drawn from recent experiences in day care centres for the future pattern of collective bargaining in the public sector (Kerber-Clasen 2017a, 2017b; Kutlu 2013, 2015; Pieper and Wegner 2015). First of all, a strike in a day care centre does not damage the employer economically, but does harm the clients, in this case the parents. Therefore, it was extremely important for the unions to receive the support of parents’ organizations and of the wider public opinion. Secondly, the unions were largely able to gain public support as they closely linked the working conditions of day care workers with the quality of care services and therewith emphasised the joint interests of workers and parents. Finally, the union were able to link their demands for improvement and esteem to the overall development of modernising child care and pre-school education.
4 Primary Education

4.1 Profile of the sector

Official data show that public education in Germany was not affected by the crisis. On the contrary, between 2007 and 2015, public expenditure on schools rose by 21.8 per cent to 63.25 billion euros (Statistisches Bundesamt 2016). However, in relation to GDP, the share of expenditure on public schools was held constant at 2.1 per cent during this period (Statistisches Bundesamt 2016).

This is also reflected in the development of primary education in the past. In 2015, there were 15,424 primary schools in Germany with 2,715,127 pupils. A total of 167,273 teachers work at primary schools. Official statistics on the development of primary education reveal that the most relevant indicators for quality of education have improved in recent years. The 10 per cent fall in the number of primary schools from 2002 to 2015 is connected to retrogressive demographic development in Germany. It corresponds to a decrease in the number of primary school pupils by about 14 per cent during the same period (Figures 9 and 10).

Figure 9: Number of primary schools, 1992-2015

Source: Conference of Federal Ministers of Education.

One reason for this increase was that in 2010 teachers’ wages in eastern Germany were aligned with those in the west. Previously, the wages of public employees in the east of the country had been set at 91 per cent of the wages in the west.
Whereas the number of primary schools and pupils decreased, the number of primary school teachers grew by almost 6 per cent (Figure 11). Measured in full-time equivalents, the teaching staff at primary schools increased by 5.2 per cent.

As a consequence of these developments, class sizes and pupils-per-teacher ratios improved (Figures 12 and 13). The average class size in primary schools dropped slightly, from 22 pupils in 2002 to 20.7 pupils in 2015. Furthermore, the number of lessons taught per class and week increased from 27.5 in 2002 to 30.5 in 2015 (Figure 14).
Figure 12: Class size at primary schools, 2002-2015

Source: Conference of Federal Ministers of Education.

Figure 13: Pupils per teacher ratio at primary schools, 2002-2015

Source: Conference of Federal Ministers of Education.
4.2 Industrial relations

In Germany, education policy is the exclusive competence of the Länder (Keller and Seifert 2015: 10; Vesper 2016: 39). Accordingly, teachers are employed by the Länder. About three-quarters of teachers are civil servants. The working conditions of teachers with civil service status are legally regulated by the Länder parliaments.

Two trade unions represent the interests of teachers. The Verband Bildung und Erziehung (VBE) within DBB organizes mainly teachers with civil servant status but also, to a lesser extent, some with employee status (Keller 2014: 393). VBE organizes around 140,000 teachers. GEW represents about 175,000 teachers with employee or civil servant status, among them about 51,000 primary school teachers.

In the legislative process, public sector trade unions have only limited participation and consultation rights (see section 2.2). But they have several informal channels of influence, such as lobbying or influencing public opinion (Keller 2010: 126–28). Thus, for teachers with civil service status, there is no collective bargaining. However, the wages of teachers with civil service status are loosely connected to the collective bargaining system for the public sector of the Länder, which takes place prior to the legislative process. Trade unions usually demand that collective bargaining outcomes for the public sector of the Länder are also applied to civil servants. Nevertheless, the Länder are free to decide. Because civil servants do not have the right to strike, trade unions cannot enforce the legislator to accept their de-

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8 As already noted, the reform of German federalism (Föderalismusreform I) that came into force in 2006 transferred substantial parts of the regulatory competence for civil servants' employment conditions from federal government level to the Länder (Keller 2010: 132).
mands by industrial action. Some of Länder comply with the demand, others do not.

Determination of the working conditions of employed teachers is more complicated. Only recently did trade unions manage to obtain a collective agreement for teachers without civil service status within the collective agreement for the public sector of the Länder TV-L (see section 4.4). However, their working conditions are partially coupled with those of teachers with civil servant status by so-called ‘employer guidelines’ decreed by the Länder. In consequence, the working time of employed teachers follows the corresponding legislative regulation for civil servants. Before 2016, the wages of employed teachers were determined by a reference in the ‘employer guidelines’ to the pay scales of TV-L. Hence, although the TV-L did not directly cover employed teachers and employed teachers did not have civil service status, their wages followed the TV-L and their classification in the pay scale of the TV-L followed the classification of civil servants. The classification of employed teachers in the TV-L pay scale, however, corresponds to the qualification levels of comparable civil servants as follows: employed teachers who, for example, would be paid according to pay level A13 if they were civil servants are paid according to pay level E13 of the TV-L (with the exception of primary school teachers without civil servant status, see section 4.3). This classification scheme was recently codified by a special collective agreement (Tarifvertrag über die Eingruppierung und die Entgeltordnung für die Lehrkräfte der Länder, TV EntgO-L), which is part of the TV-L. Thus, the ‘employer guidelines’ were turned into a collective agreement on the classification of teachers without civil servant status in the TV-L pay scale (see section 4.4). Figure 15 illustrates how the working conditions of teachers are set.

Figure 15: Setting of working conditions of teacher with and without civil servant status

Source: Authors’ composition.
The different treatment of teachers with and without civil service status leads to other differences, apart from employed teachers’ lower gross wages. Because of civil servants’ specific legal status, working conditions of teachers with and without civil servant status differ substantially with regard to net wages, pensions, health care and employment protection. The difference in net wages between civil servants and employees is up to several hundred euros (authors’ calculation). Since primary school teachers are paid according to E11 and some in Saxony even according to E10⁹ (see below) instead of E12, the differences are even higher.

4.3 Working conditions

It is important to note that, because radical transformations such as privatization and market liberalization are absent from the German school system, changes have been much less dramatic than in other public sectors. This is particularly true for the relatively stable industrial relations and the still comparatively high degree of centralization of collective bargaining for the public sector of the Länder.

But although the number of teachers at primary schools has increased, their working conditions have not kept pace. However, not all of the changes in teachers’ employment conditions since the 1990s can be traced directly to budgetary restrictions; some are the result of education policy reforms (for example, the introduction of inclusion, integrated comprehensive schools and all-day schooling¹⁰), partly in response to poor results in international evaluations of the German education system. In consequence, teachers’ work intensity has increased (Mußmann et al. 2016; Vesper 2016: 60). One reason for this is that primary school teachers’ range of tasks has not only been substantially extended, but has also become much more demanding. The inclusion of disabled children and the integration of children with learning disabilities, together with migrants and refugees have increased the need for individual support and consultation.¹¹ Other developments, however, are more directly linked to fiscal consolidation. It has become common practice to hire young teachers only for a fixed term, thereby creating a more flexible and cheaper pool of replacement teachers (Keller and Seifert 2015: 10). The share of teachers without civil servant status (see below) on temporary contracts is 16.8 per cent (Hohendanner et al. 2015: 46). These teachers are often employed only for the school year, that is, from the end of the summer holidays to the beginning of the next summer holidays. For the remaining time, they have to apply for social assistance because they are not entitled to unemployment benefits, having been employed for less than twelve months. The Federal Labour Office reported for 2016 that during the summer holidays about 5,800 teachers more than in the other months registered as unemployed. In 2015, this number had reached 7,000. Young teachers are especially affected: the share of teacher-

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¹⁰ The number of all-day primary schools grew almost fivefold, from 1,707 in 2002 to 8,176 in 2015.
¹¹ Interview with GEW, 15 March 2017.
ers under 35 years in this group of temporarily unemployed teachers amounts to 64 per cent. Remarkably, this practice is particularly widespread in some of the most prosperous Länder, such as Baden-Württemberg, Hesse, Rhineland-Palatinate and Bavaria (Bundesagentur für Arbeit 2016).

One of the major issues concerning teachers’ working conditions is also connected to budgetary restrictions. After German reunification, the new Länder in eastern Germany decided not to grant their teachers civil servant status and hired new teachers only as employees (Keller and Seifert 2015: 10). In addition, Berlin stopped granting civil servant status to new teachers in 2004. Meanwhile, Brandenburg, Thuringia, Mecklenburg-West Pomerania and – partially – Saxony-Anhalt have started to hire teachers as civil servants. In Saxony and Mecklenburg-West Pomerania teachers are still almost exclusively employees. In Saxony-Anhalt, nearly three-quarters of the teaching staff are employees (Figure 17).

As Figure 18 shows, the share of non-civil servant teachers in Berlin and Thuringia is about 50 per cent. In North Rhine-Westphalia, Berlin, Bremen, Hamburg, Schleswig-Holstein, Brandenburg, Rhineland-Palatinate and Lower-Saxony the share of employed teachers ranges between 29.6 per cent in Hamburg and 16.2 per cent in Lower-Saxony. In the remaining Länder, the share of employed teachers varies between 9.6 and 14.8 per cent.

Note that a small share of teachers has always been hired as regular employees when they lacked the specific requirements for becoming civil servants (age limit, health requirements, qualification levels).
Note that Figure 18 shows the share of employees in all school staff, including teachers and other occupations. Longitudinal data for teachers only are not available. As Figure 18 shows, the share of employees in all school staff fell from 27.4 per cent in 2002 to 24.7 per cent in 2015.

In 2015, 175,605 persons worked at primary schools (167,273 teachers), of whom 127,680 were civil servants and 47,925 employees (Statistisches Bundesamt 2015). Primary school teachers without civil servant status are especially disadvantaged. Even with civil servant status, primary school teachers are paid less than most of teachers at secondary schools (Table 6). Primary school teachers are remunerated according to salary level A12 instead of A13, as at secondary schools – although qualifications and occupational requirements are generally comparable (Kocher et al. 2016: 25–28). In Bavaria, for example, the gross starting wage salary of a secondary school teacher with civil servant status is 4,113.31 euros, whereas a primary school teacher with civil service status receives only 3,439.75 euros. In addition, in contrast to secondary school teachers, employed primary school teachers are paid according to one pay level of the TV-L below the wage level A12; that is, according to E11 instead of E12. In Baden-Württemberg, the gross starting wage of an employed primary school teacher is 3,202.32 euros. Thus, primary school teachers without civil servant status are disadvantaged twice over.
Another change in working conditions is connected to the already mentioned reform of German federalism in 2006. The reform transferred regulatory competence for civil servants' employment conditions from the federal level to the Länder. This resulted in differing working conditions across different Länder for teachers with and without civil service status. Teachers without civil servant status are affected because the working time and other working conditions (except pay) of regularly employed teachers are coupled to those of teachers with civil servant status. As a consequence, gross starting wages vary between 3,540.79 euros for a primary school teacher with civil servant status in Hamburg and 3,191.65 euros for a primary school teacher with civil service status in Rhineland-Palatinate. In periods of high demand, this can favour teachers, especially those with coveted subject combinations. Länder compete with each other for teaching staff on the basis of working conditions. Competition between Länder for teaching staff is one reason why some Länder have decided to hire teachers as civil servants again. Tellingly, Berlin started to grant civil service status for teachers who move to Berlin from another Land where they already had civil service status. Moreover, they are paid according to the salary of the Land where they worked previously. Furthermore, Saxony recently started to discuss whether new teachers should be employed as civil servants,
although only temporarily, for a period of five years. This is because Saxony cannot find enough new teachers for open positions.

4.4 Recent developments in industrial relations

Another difference between civil servants and employees is that, in contrast to civil servants, employees have the right to strike. As a consequence, teachers without civil servant status increasingly engage in industrial action, first at Länder-level, mainly on issues such as working time, workload and classifications in collective agreements. Since 2009, teachers have been participating in greater numbers in strikes within the context of nationwide collective bargaining rounds for the public sector of the Länder. According to GEW, these increased strike activities have boosted its membership (Figure 19).

Figure 18: Membership of GEW, organizational area school, 2004-2017

Source: GEW.

One of the main demands of employed teachers was to be integrated into the collective agreement for the public sector of the Länder – and thus to be directly included in collective bargaining. As explained above, before 2016, the working conditions of teachers without civil servant status were regulated by unilateral 'employer guidelines', which coupled the working conditions of employed teachers to those of teachers with civil servant status. A reference in the 'employer guidelines' linked the wages of employed teachers to the pay scales of the TV-L. Thus, the TV-L did not directly cover employed teachers. Nevertheless, their wages followed the TV-L while their classification in the TV-L pay scale followed that of civil servants (see section 4.2).

For more than a decade, GEW has been pushing for the inclusion of employed teachers in the TV-L, which does not differentiate between types of school and thus would eliminate the double discrimination against primary school teachers without civil servant status. After initial talks about this matter during the collective bargaining round in 2009, the TdL refused to con-
continue negotiations about integrating employed teachers in the TV-L. In 2011, 2013 and 2015, the TdL offered a collective agreement on the integration of employed teachers in the TV-L, but GEW and ver.di rejected it on each occasion. The reason was that the Länder insisted on maintaining the coupling of the pay scales of employed teachers with those of civil servants. In practical terms, this offer would merely have transposed the ‘employer guidelines’ into a collective agreement. Since working conditions of civil servants are determined unilaterally by the Länder this would have meant that the Länder would still set the working conditions of employed teachers, too, generally without trade union participation. In addition, although the employers granted an ‘alignment allowance’ of 30 euros per month, the twofold discrimination against primary school teachers would not have been eliminated. Moreover, accepting the offer would have obliged the trade unions to respect the so-called ‘peace obligation’ (Friedenspflicht), which prohibits strike action as long as a collective agreement is in force; in this case, for four more years. Despite GEW’s and ver.di’s rejection, in 2015 DBB accepted TdL’s offer and signed the new collective agreement on the integration of employed teachers in the TV-L (TV EntgO-L). Regardless of the rejection by the other public sector trade unions, the Länder decided to apply the collective agreement to all employed teachers. However, according to German collective bargaining law, the collective agreement does not formally apply to members of GEW or non-unionized teachers. Hence, if collective bargaining leads to a deterioration of working conditions, it may not be applied to GEW members. Yet, the Länder intended to bypass this provision, implementing the new collective agreement by referring to it in the individual employment contracts of newly employed teachers. In 2017, GEW finally accepted the offer of the Länder. In exchange, the employers agreed to introduce a new, additional experience level 6 within the TV-L pay groups applicable to employees with academic education, which raises the wages of employed teachers with work experience of 15 or more years. Thus, after years of struggle, the trade unions succeeded in obtaining a collective agreement for employed teachers. However, the compromise is rather an ex-post codification of the ‘employer guidelines’ in the form of a collective agreement, which basically reproduces the status quo. In exchange, employed teachers are now formally covered by the TV-L. The double discrimination against primary school teachers persists. Accordingly, the unequal remuneration of primary as compared with secondary school teachers remains an important issue. As mentioned above, whereas secondary school teachers are paid according to wage group A13 (E13), primary school teachers are paid according to wage group A12 (E11). Differences in gross starting wages can be up to 695 euros.

15 Interview with GEW, 15 March 2017.
The different classification of primary and secondary school teachers is not new; in other words, it is not the result of changes in recent years. However, trade union activities around this issue are interesting because they make reference to discursive frames such as recognition, upgrading and gender equality – which trade unions have also achieved in other public sectors. In 2016, GEW started a campaign under the heading ‘JA 13 – weil Grundschullehrerinnen es verdienen’ (YES 13 – because primary school teachers deserve it) in order to lift primary school teachers’ wages to A13 grade.

Because female teachers’ share in primary education employment (92 per cent) is exceptionally high, the dimension of gender equality and gender discrimination is an especially important aspect of the campaign (Kocher et al. 2016) – another parallel with trade union strategies in other sectors, such as day care centres. Since the classification of primary school teachers in the pay scale is a matter of legislative regulation of civil servants, and civil servants do not have the right to strike, the campaign ‘JA 13’ focuses mainly on political lobbying and public protest. GEW also resorts to litigation with the aim of judicially qualifying the lower pay for the predominantly female primary school teachers as illegitimate gender discrimination.

The trade unions’ lobbying efforts have shown their first important results. Recently, Berlin and Brandenburg decided to upgrade present and future primary school teachers from A12 to A13 starting in 2019. In addition, North Rhine-Westphalia announced that it would follow their example. The conditions for this success were favourable since the current and future demand for primary school teachers is massive. A recent study calculated that, under current conditions, the shortage of primary school teachers will add up to about 35,000 teachers by 2025 (Klemm and Zorn 2018).
5 Hospitals

5.1 Profile of the sector

At the end of 2016, Germany had 1,915 hospitals with around 500,000 beds (for the following see: Table 7). Hospital capacities in Germany have been steadily declining since the early 1990s. The total number of hospitals fell by more than 20 per cent, while the number of beds decreased even faster, by about 25 per cent. At the same time there was a continuous rise in the number of hospital admissions, paralleled by a drop in the average length of stay, from 14 days in 1991 to 7.3 days in 2016.

Table 7: The German hospital sector – key figures, 1991 and 2016

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<tr>
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</thead>
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<tr>
<td>Number of hospitals</td>
<td>2,411</td>
<td>1,915</td>
<td>- 20.6 %</td>
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<tr>
<td>Number of beds</td>
<td>665,565</td>
<td>498,718</td>
<td>- 25.2 %</td>
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<td>Hospital admissions</td>
<td>14,576,613</td>
<td>19,532,779</td>
<td>+ 34.0 %</td>
</tr>
<tr>
<td>Average length of stay</td>
<td>14.0 days</td>
<td>7.3 days</td>
<td>- 47.9 %</td>
</tr>
<tr>
<td>Number of employees total</td>
<td>1,111,625</td>
<td>1,215,581</td>
<td>+ 9.4 %</td>
</tr>
<tr>
<td>full-time equivalents</td>
<td>875,816</td>
<td>880,519</td>
<td>+ 0.5 %</td>
</tr>
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Source: Statistisches Bundesamt 2017b, WSI calculations.

There are around 1.2 million employees working in the German hospital sector. These account for just over a fifth of all employees in the German health sector, which in total employs some 5.5 million staff. Given the increasing number of part-time hospital workers, overall employment in hospitals measured in full-time equivalents amounts to about 881,000 full-time jobs. All in all, hospitals are a female-dominated sector (Statistisches Bundesamt 2017b): around three-quarters of all hospital workers are women. Among care workers the proportion of female workers is even higher, at 85 per cent, while among doctors it is almost half (47 per cent). About three-quarters of all doctors work full-time, while only half of care workers do so.

From the mid-1990s until the second half of the 2000s, there was a steady fall in the number of employees in hospitals (Figure 20). The sharpest decline was among non-medical service employees, whose jobs have often been contracted out to other companies. There was also a significant decline in the number of care workers, which reached its low point in 2007. Since then the amount of care staff has started to increase again, and in 2016 reached almost the level of the early 2000s. The only group of hospital employees that has experienced a sustained increase in numbers is

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16 The German Federal Statistical Office issues annual hospital statistics that include basic data on all hospitals in Germany (see for the most recent issue: Statistisches Bundesamt 2017a). Hospitals are legally obliged to provide certain information on a regular basis, as these statistics are a major source for national hospital planning. For more information on the structure and the methodology of German hospital statistics see: Bölt and Graf 2012.
doctors, whose numbers have increased by more than 66 per cent since the early 1990s.

Figure 19: Employees in German hospitals, 1991-2016 (in full-time equivalents, 1991 = 100)

Over the past three decades, the German hospital sector has been subjected to a process of commercialization and privatization (Böhlke et al. 2009; Mosebach 2009; Schulten and Böhlke 2012; Greer et al. 2013). The commercialization of hospital services has been implemented mainly through a fundamental change in the mode of hospital financing (Simon 2000, 2016). Up until the early 1990s, all operational costs were financed in line with the ‘cost coverage’ principle, according to which the health insurance funds, which collect revenue in the form of social insurance contributions, reimbursed almost all expenditures incurred by hospitals. Since then a number of healthcare reforms have, first, capped hospital budgets and subsequently shifted hospital financing to the so-called Diagnosis Related Group (DRG) system, under which the costs of a hospital admission are no longer reimbursed on the basis of per diem costs but according to a uniform flat-rate payment determined by a cost schedule for that patient’s Diagnosis Related Group, irrespective of the actual treatment and costs incurred by the individual hospital.

The abolition of full cost-based reimbursement, the establishment of capped budgets and the introduction of the DRG system meant that, for the first time, it became possible for German hospitals to make large-scale profits or deficits. It also established a new regime of cost competition between different hospital providers and created the preconditions that allowed for a wave of hospital privatizations and the emergence of some new private for-profit hospital corporations. For several municipalities the privatization of public hospitals that were in financial deficit has become an important instrument for tackling their wider budgetary problems.
Traditionally, the German hospital sector has been divided mainly into a public and a non-profit segment. While the public hospitals are mostly run by municipalities or – in the case of university clinics – by the Länder, the non-profit hospitals are dominated by the two major Christian churches (Protestant and Catholic), but also involve some other welfare organizations. Up until the early 1990s, Germany had only a few rather specialised and mostly smaller private for-profit hospitals. Since then the ownership structure of the German hospital sector has undergone a dramatic change due to an overall decrease in the total number of hospitals and an ongoing process of privatization (Figure 21).

Between 1991 and 2016 the number of public hospitals almost halved, from 1,110 to 570. In the same period the number of non-profit hospitals decreased by nearly 30 per cent, from 943 to 674. In contrast, the number of private for-profit hospitals has almost doubled, from 358 to 707, and has now overtaken the number of both public and non-profit hospitals. No other country in Europe has seen such a marked process of hospital privatization than Germany (Schulten and Böhlke 2012). The private hospital market in Germany is also fairly concentrated, as about half of all private hospitals belong to the five largest private hospital corporations Helios, Asklepios, Sana, Rhön and Ameos.\(^\text{17}\)

\[\text{Figure 20: Number of hospitals and their ownership in Germany, 1991-2016}\]

![Graph showing the number of hospitals and their ownership in Germany, 1991-2016.](https://www.praktischarzt.de/blog/ranking-groesste-klinikverbunde/)

Source: Statistisches Bundesamt 2017b.

Although privatizations have affected almost all kinds and sizes of hospitals (including even one university clinic), the private for-profit segment of the German hospital sector still covers a relatively high number of more spe-

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\(^{17}\) For an overview of the largest private hospital corporations in Germany see: https://www.praktischarzt.de/blog/ranking-groesste-klinikverbunde/
cialised and smaller clinics. In 2016, private hospitals represented about 36 per cent of all hospitals in Germany, but only 19 per cent of all hospital beds and 15 per cent of all hospital workers (Figure 22). In contrast, public hospitals represented less than 30 per cent of all hospitals, but still 48 per cent of hospital beds and even 55 per cent of all hospital workers. This is because most of the larger hospitals, and in particular university clinics, remain largely in public ownership.

Figure 21: Ownership of the German hospital sector, 2016 (in %)

Source: Statistisches Bundesamt 2017b, WSI calculations.

5.2 Industrial relations

The threefold division of hospital providers in Germany has also led to the emergence of three different industrial relations regimes (Brandt and Schulten 2008b; Glassner et al. 2015, 2016, Table 8). First of all, public hospitals are still very much linked with the public sector industrial relations regime, with all its particular features and specific legal regulations. Most municipal clinics are still covered by the nationwide public sector collective agreement for municipalities and the federal government (TVöD). Some public hospitals – in particular, university clinics – usually belong to the Länder and are therefore covered by the relevant nationwide public sector agreement TV-L. In both cases the public sector agreements include some special provisions for hospital staff, including a special pay scale for care workers.

Secondly, most non-profit hospitals adhere to the particular industrial relations regime that operates within organizations related to the Christian churches (Klute and Segbers 2006; Jähnichen et al. 2015): this is characterised by a special legal status, enshrined in the German constitution, which guarantees the churches full autonomy in regulating their internal affairs and therewith enables them to withdraw from German labour law
regulations. As a result, industrial relations within church-related organizations are usually not covered by collective agreements concluded by independent unions but by special ‘in-house’ arrangements that are negotiated within internal labour commissions (Arbeitsrechtliche Kommissionen) composed equally of employers and employees. In contrast to regular collective bargaining, the church-related organizations usually do not accept employees’ right to strike. In practice, however, working conditions in church-related hospitals closely follow public sector collective agreements, even though more recently this correspondence has become somewhat looser. Apart from that, non-profit hospitals, which are not run by the Christian churches but by other welfare organizations, usually have company agreements either at the level of the entire welfare organization or at the level of the individual clinic.

Table 8: Collective bargaining structure in the German hospital sector, 2018

<table>
<thead>
<tr>
<th>Hospital provider</th>
<th>Collective agreements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public</td>
<td>Nationwide public sector collective agreements for</td>
</tr>
<tr>
<td></td>
<td>• municipalities</td>
</tr>
<tr>
<td></td>
<td>• federal states</td>
</tr>
<tr>
<td>Non-profit</td>
<td>‘In-house arrangements’ (church-related hospitals)</td>
</tr>
<tr>
<td></td>
<td>Company agreements (other welfare organizations)</td>
</tr>
<tr>
<td>Private for-profit</td>
<td>Company agreements for</td>
</tr>
<tr>
<td></td>
<td>• entire hospital corporation at national level</td>
</tr>
<tr>
<td></td>
<td>• individual clinics at regional or local level</td>
</tr>
<tr>
<td></td>
<td>No collective agreement</td>
</tr>
</tbody>
</table>


The private for-profit hospitals have also developed their own industrial relations regimes. After privatization, the companies usually withdrew from the public sector agreements in order to undercut existing labour standards (Brandt and Schulten 2008; Böhlke et al. 2009). In the meantime, however, most private hospitals are again covered by collective agreements as a result of successful organising trade union campaigns (Dilcher 2011; ver.di 2011, 2015a). In some of the larger private hospital corporations – for example, Helios or Sana – there are nationwide company agreements that cover all clinics within the corporation. Other private hospital corporations – such as Asklepios or Rhön – conclude collective agreements only at regional or local level, which sometimes only cover an individual clinic. There are also some private hospitals that still refuse to sign any collective agreements.

Usually, collective agreements cover all groups of workers in a hospital, who are mainly represented by ver.di, by far the largest union in the sector, organizing across all types of hospital provider (Glassner et al. 2015, 2016). There is also a relatively well represented occupational trade union for doctors called the Marburger Bund, which has been negotiating separate collective agreements for doctors since the mid-2000s (Martens 2008).

The diversified structure of industrial relations in the German hospital sector makes it fairly difficult to secure equal conditions for all hospital workers. In
view of the growing competition between hospital providers, there is also a need to establish a level-playing field in order to prevent downward pressure on working conditions. As a consequence, the trade unions have tried to coordinate collective bargaining between all hospital providers and establish the public sector conditions as the benchmark for all hospitals (Gröschl-Bahr and Stumpfögger 2008; ver.di 2011, 2015). However, there are still some significant differences in the labour cost structure of the various hospital providers. Considering the average annual labour costs for a care worker, public hospitals pay about 9 per cent more than private for-profit ones (Figure 23). The differences are even larger among non-medical staff (Brandt and Schulten 2008). The only exception are doctors, whom private for-profit hospitals pay on average nearly 5 per cent more than public hospitals.

Figure 22: Average annual labour costs in German hospitals, 2016 (in euros)

![Average annual labour costs in German hospitals, 2016 (in euros)](source: Statistisches Bundesamt 2017b, 2017c, WSI calculations)

5.3 Working conditions

The commercialization and privatization of hospital services has put hospitals under permanent pressure to reduce costs in order to avoid deficits or even to generate profits. At the same time, hospitals have to cope with various challenges, such as a growing need for new investments and the increasing costs of hospital treatment. Against that background labour costs, which still account for about 60 per cent of overall costs in hospitals (Statistisches Bundesamt 2017c), have been very much the focus of hospitals'
restructuring strategies, aimed at improving their financial performance. Hereby, the hospitals have developed several strategies to reduce labour costs, with a significant impact on working conditions in the sector (Greer et al. 2013; Schulten and Schulze-Buschoff 2015).

One major issue has been the contracting out of hospital services, which has become widespread over recent decades. It started in the 1990s with laundry and cleaning services but in the meantime has come to affect many different activities, such as pharmacy, catering and laboratory services, but also medical services, such as radiology or sterilization (Blum et al. 2013). There are at least three different forms of outsourcing. First, the classic form is that hospitals simply contract with a number of external companies. The second form is that hospitals cooperate with an external facility management or service company, which delivers a package of different services, using their own staff or further subcontractors. Finally, hospitals can create their own in-house service companies. The latter have become widespread, in particular in larger hospitals (Lünenedonk 2012). For example, Helios Kliniken GmbH, which is the largest private hospital corporation in Germany, has about 68,000 employees, of whom some 10,000 are employed in separate Helios service companies (Behruz 2014).

By far the most important reason for hospitals to contract out services is to cut labour costs (Blum et al. 2013: 45). External firms usually have much lower labour costs because they are either covered by different collective agreements or often not covered at all. In areas such as laundry, cleaning or catering the labour cost differences between hospitals and external firms can be up to 25–30 per cent (Lünendonk 2012: 11). The same holds true for hospitals’ in-house service companies, which are also often not covered by collective agreements, leading de facto to the establishment of a two-tier employment system within the hospital sector. All in all, the process of contracting out has been accompanied by a significant deterioration in working conditions and growth in precarious employment (Schulten and Schulze-Buschoff 2015).

Since the 1990s the increasing cost pressure on hospitals has led to significant staff cuts, not only among employees providing ancillary services, but also core care personnel (Simon 2012, see also Figure 20). Although the decline of hospital staff was stopped in 2007 and the number of care workers and other hospital workers started to increase again, this did not correspond to the much faster increase of hospital cases. As a result, the ratio between care staff and patients continued to increase. While in 1991 a full-time care worker had to treat, on average, 44.7 cases, it had risen to 60.1 cases by 2016 (Figure 24). The ratio was somewhat lower in public hospitals (56.5 cases) in comparison to non-profit and private for-profit clinics (64 cases) (Statistisches Bundesamt 2017a). The ratio between care workers and hospital cases in Germany is also one of the highest in the OECD (Böcken and Kostera 2017).
The obvious understaffing of German hospitals has led to a sharp intensification of work and growing dissatisfaction, especially among care personnel (Buxel 2011; Roth 2011; Schulz 2017). According to a comprehensive survey on working conditions in German hospitals from 2014, nearly 80 per cent of care workers think that their working conditions have deteriorated over the past five years (Bräutigam et al. 2014; for the following see also Figure 25). There are two major issues behind this assessment: pay and work pressures. On pay, more than 68 per cent of all care workers asked felt that they were not paid adequately for the work they did. According to another study, the average monthly pay of a hospital care worker stood at around 2,735 euros in 2013, significantly below average pay in other sectors, such as manufacturing (Bispinck et al. 2013). In order to give care staff greater recognition, the trade union ver.di has called for every qualified care worker to earn at least 3,000 euros per month (ver.di news No. 7/2014).
Furthermore, nearly 60 per cent of all care workers think that they do not have enough time to do their job, while more than half are frequently unable to take their breaks. Both are clear indicators of severe work pressures resulting from understaffing. Work pressure is also a major reason for the sharp increase in part-time work among hospital care personnel (Simon 2012). The deterioration of working conditions in hospitals causes employees to express rather pessimistic expectations for the future. More than 90 per cent of all medical staff surveyed (including doctors, care workers and other medical services) believed that work pressures would not decrease in the foreseeable future. Finally, according to another survey only 43 per cent of care staff would recommend that their friends become a care worker in a hospital (Buxel 2011).

### 5.4 Current topics in collective bargaining

During the 2000s, trade unions in German hospitals set two main priorities (ver.di 2011; Greer et al. 2013). Firstly, the unions tried to ensure that the growing number of private for-profit hospitals would be covered by collective bargaining and provide similar conditions to those laid down in the public sector collective agreement. Trade unions also started to question the special industrial relations status of Church-related companies and tried to negotiate genuine collective agreements in non-profit hospitals. While the unions generally been quite successful in establishing collective bargaining in private clinics, genuine agreements still remain an exception in Church-related hospitals (ver.di 2015a).

The second priority was a call for more public financial resources in hospitals, accompanied by more fundamental criticisms of the commercialization of hospital services.
In 2008, ver.di started a campaign under the slogan ‘Get rid of the cap!’ (‘Der Deckel muss weg!’), which called for the removal of the cap on hospital budgets and a more fundamental reform of the entire hospital financing system (Behruzi 2011).

The campaign came to be supported by a broad alliance of various social actors, including patient groups, hospital providers’ organizations and other medical professions. In September 2008 more than 130,000 hospital employees took part in a demonstration in Berlin, the largest demonstration ever in that sector. The campaign was highly successful, leading to the Federal government setting up a special financial programme to improve care in hospitals (‘Pflegesonderprogramm’) for the period 2009–2011; in total this has provided about 1.1 billion euros, allowing the creation of about 15,300 new care jobs (GKV 2013). This new programme has enabled hospitals to at least partially compensate for the loss of care workers during the 2000s (Simon 2014).

Considering the increasing number of hospital cases, however, the newly created care jobs were not at all sufficient to solve the problems of understaffing and growing work pressure. From 2010 on ver.di started a successor campaign under the slogan ‘Get rid of the pressure!’ (‘Der Druck muss raus!’). In February 2013, ver.di organised a so-called ‘personnel check’. The union visited more than 200 hospitals all over Germany on a single day and asked staff how many additional employees they considered would be needed to maintain services at the required standard. Based on this, ver.di calculated that there is a shortage of 162,000 full-time hospital employees in Germany, among them 70,000 care workers (Paschke 2013).

The lack of hospital staff has become particularly prominent during night shifts. In the night of 5/6 March 2015 ver.di visited 238 hospitals at the same time in order to analyse the situation of the hospital staff. As a result of its evaluation, ver.di produced a ‘night-shift report’, which came to the conclusion that during nights two-thirds of all care workers had to care for a single hospital ward on their own (ver.di 2015b).
From 2013 on, ver.di continued under the slogan ‘More of us is better for everyone!’ (‘Mehr von uns ist besser für alle!’), which put the relationship between the number of care workers and the quality of hospital treatment at the core of its campaign. While making a scandal of the fact that understaffing might lead to serious problems for the patients, ver.di started to demand not only more personnel but a legal determination of minimum staff requirements.

In addition, the union also addresses individual hospitals at local and regional level with concrete demands for more hospital staff. In 2015, the union registered a notable success when it concluded a groundbreaking collective agreement at the Berlin university clinic Charité, which is the largest university clinic in Europe, with more than 13,000 employees. Having already gone on strike in 2006 and 2011 in order to prevent staff cuts, in 2015 Charité workers held a new strike, lasting ten days, in order to reach a new collective agreement on more staff and concrete regulations for minimum staff requirements at the university clinic (ver.di Berlin-Brandenburg district 2017; Hedemann et al. 2017). Finally, ver.di and Charité concluded a new ‘collective agreement on health protection and minimum staff requirements’ (Tarifvertrag über Gesundheitsschutz und Mindestbesetzung im Krankenhaus), which became the first collective agreement in Germany to lay down concrete provisions on minimum staffing of care workers in some medical functional areas (such as surgery, anaesthesia and psychiatry). Furthermore, the agreements define new criteria and procedures for tackling work overload; established a fund of 300,000 euros for every six months in order to finance measures against work overload; and set up a joint health committee – composed of union and management representatives – to monitor implementation and decide on concrete measures against work overload.

For ver.di the new collective agreement at Charité became the model that should be implemented also in other hospitals. In early 2017 the union started a pilot campaign in the Federal State of Saarland, where it called for a new branch-level collective agreement on the reduction of work pressure (Tarifvertrag Entlastung), which is supposed to cover all groups of hospital providers, including public, non-profit and private for-profit hospitals (Windisch 2017). Throughout the year, the union organised various demonstrations and warning strikes, including the first warning strike ever at a Catholic hospital in Germany (ver.di Bezirk Region Saar Trier 2017). In July 2017, ver.di decided to extend the campaign to selected public and private hospitals in seven further Federal States with a special focus on university clinics (ver.di 2017a). Especially in larger cities the union campaigns for more hospital staff came to be supported by local alliances supported by

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18 The collective agreement can be downloaded under: https://klinikpersonalrat.charite.de/fileadmin/user_upload/microsites/sonstige/Klinikpersonalrat/Tarifvertrag%20Entlastung.pdf.
representatives from medical and patient organizations, political parties and other civil society organizations. In the cities of Berlin and Hamburg these alliances have already started to organise a local referendum for more staff in the local hospitals.\textsuperscript{19}

The ongoing trade union campaign has also already led to a few new collective agreements at the level of individual hospitals. One remarkable example is a new collective agreement on the reduction of workload at the university clinic Gie\ss\-en-Marburg, which is the only privatised university clinic in Germany and now part of the private hospital corporation Rhön AG. Among other things, the agreement foresees the hiring of about 100 new care workers and new procedures to tackle work overload, with the participation of the works council and trade union. Moreover, the agreement provides a job guarantee for all care staff during the next five years (ver.di 2017b).

With its campaign against the lack of resources and staff in German hospitals ver.di has been highly successful in bringing the issue onto the political agenda. The demand for legal minimum staffing levels has become widely discussed within other health care organizations, as well as by all the major political parties (Simon 2014). The need for additional staff in hospitals has even been officially recognised by the German government. In 2014, a commission of experts was set up by the Federal government and governments of the constituent federal states with a remit to draw up a concrete reform plan by the end of 2014 for the future financing of German hospitals and the provision of an adequate number of hospital employees. In March 2017, the commission presented its results, officially acknowledging that ‘sufficient care staff in hospitals is necessary for the quality of patients’ treatment and the working conditions of the employees’. Moreover, the commission argues in favour of legal minimum requirements for care staff ‘in areas of particularly intensive care services’ and demands that the health insurance funds, together with the German Hospital Federation (Deutsche Krankenhausgesellschaft) develop a detailed concept by July 2018 (Bundesgesundheitsministerium 2017).

The coalition agreement of the new Federal German government, a coalition between the Christian Democrats and the Social Democrats formed in spring 2018, has even enlarged the reform agenda for German hospitals by promising (CDU, CSU and SPD 2018):

\begin{itemize}
  \item more resources for new investments;
  \item full refunding of collectively agreed wage increases;
  \item the introduction of legal minimum care staff levels in all in-patient areas with beds (not only in areas with intensive care services);
  \item reform of the hospital financing system whereby costs for care staff should be excluded from the DRG system and should be fully compensated.
\end{itemize}

\textsuperscript{19} For more information on this see: https://volksentscheid-gesunde-krankenhaeuser.de/.
If all these measures were implemented it would bring about substantial changes in the development of German hospitals. Especially the proposed changes in the hospital financing system with a partial return of the cost coverage principle can be interpreted as at least a partial reversal of the former trend toward the commercialization of hospital services.
6 Summary

The development of the public sector in Germany during the past decade differs fundamentally from the experiences of many other European countries. In many respects Germany can be seen as a forerunner of public sector reforms in Europe. Austerity-driven reforms in the public sector were conducted long before the crisis, starting as early as the 1990s. During this phase, public employment decreased and working conditions deteriorated. Privatizations of public enterprises and commercialization of public services had the greatest impact of all the measures taken. They led to a substantial shrinking of the public sector, worse working conditions and fragmented collective bargaining in the privatized sectors. In our case studies, the hospital sector is an example of the effects of privatization and commercialization on industrial relations, working conditions and quality of services.

However, this trend was reversed in the second half of the 2000s, simultaneously with the great financial and economic crisis. Since then, public sector employment has increased and working conditions improved. In this study, we traced these developments for public care services: day care centres, primary education and hospitals.

Day care centres

Since the so-called ‘Pisa-shock’ in the early 2000s, there has been a broadly shared view that the entire German education system needs substantial improvements. After some first attempts during the 1990s, when a more substantial expansion of day care centres could not be implemented due to tight public budgets, new nationwide financial programmes supported the extension of the sector from the mid-2000s. As a result, the number of day care centres increased by nearly 15 per cent, while the number of day care workers increased by around 70 per cent.

The transformation of the German child care sector, however, had not only a quantitative but also a qualitative dimension, as there was a broad consensus for improving and professionalizing pre-school education. However, the growing societal expectations about the professional work of day care workers have largely been in stark contrast to their relatively poor pay and working conditions. It was exactly this contradiction that has been articulated in the trade union campaigns for a substantial upgrading of day care work. The campaign has led to new forms of industrial action and collective bargaining, such as the two first nationwide strikes in public day care, which underline a new self-confidence on the part of day care workers. Moreover, it received broad public support, even among the affected parents. While, so far, day care workers have obtained some improvements in pay and working conditions, it is widely believed that the upgrading has to continue in order to promote the modernization of child care and pre-school education.
Primary education

In primary education, between 2002 and 2015, the number of teachers at primary schools grew, while the number of pupils decreased. This has led to an improvement of quality-related indicators. As class sizes became smaller, the pupil per teacher ratio dropped. At the same time, more lessons were taught per class.

Despite these positive developments, some problems concerning teachers’ working conditions persist. Workload and work intensity have increased while some teachers are still hired on a temporary basis only for the duration of the school year. Primary school teachers get paid less than teachers at secondary schools. In some Länder, teachers are hired as public employees without civil servant status. However, the latter trend has been halted and even reversed. Furthermore, some Länder announced to pay primary school teacher the same wages than secondary school teachers.

Concerning industrial relations, in contrast to civil servants, employed teachers have the right to strike. This has led to a higher participation of teachers in industrial actions, which has resulted in a growing trade union membership among teachers. Trade unions have managed to integrate employed teachers in the collective agreements for the Länder. However, this is only a partial success because the compromise just transposes the ‘employer guidelines’ – set unilaterally by the Länder – into a collective agreement. Thus, the compromise between employers and trade unions in fact reproduces the status quo. Successful trade union campaigns – especially the one to establish equality between primary and secondary school teachers, ‘JA13’ – are framed around the issues of gender equality, recognition and upgrading of educational work. The successes of trade unions in improving working conditions rest on a favourable nexus of circumstances: the shortage of teachers under conditions of ‘competitive federalism’, which results in competition for teachers between the Länder.

Hospitals

Since the 1990s hospitals in Germany have faced a broad wave of privatization and commercialization, promoted by a new system of hospital financing that abolished the former ‘cost coverage’ principle and therewith made it possible for hospitals to make profits or deficits. As commercial success became of growing importance, hospital providers were given a strong incentive to reduce labour costs, which are by far the largest cost factor in the sector. As a result, many hospital activities were contracted out and overall staff was reduced, including the number of care workers. Although the decline of hospital staff was halted in 2007 and the number of care workers and other hospital workers started to increase again, this did not correspond with the much faster increase of hospital cases. As a result, the ratio between care staff and patients continued to worsen.

Considering the influence of industrial relations, the development of the German hospital sector is a clear example of how disputes and struggles for good working conditions have a major impact not only on quality of services, but also on the more fundamental driving forces of the sector. Com-
Commercialization has been the main driving force in the German hospital sector for more than 20 years, but it has produced neither adequate services nor acceptable working conditions. Therefore, the struggles within hospitals have always been linked directly to a more fundamental critique of the logic of commercialization (Décieux 2017). The various union campaigns for more staff and better working conditions have made a major contribution to reversing the trend and bringing more resources into the hospital system. Thus, industrial relations have become an important driver of the necessary modernization of hospital services. As collective bargaining in the sector is fairly fragmented and divided among different groups of hospital providers it could only set good examples and practices, which now have to be universalized through new regulations by the state.

Comparison of the sectors
There are several commonalities in the development of the three sectors analysed in this study. First of all, all three sectors have faced an expansion of employment since the second half of the 2000s. In the case of hospitals, this is a reversal of the former trend towards staff cuts. In the case of day care centres and primary education, this is a continuation and partly an acceleration of a long-term trend.

Secondly, the increase of employment is in all three sectors very much related to the quality of services. In the case of day care centres and primary education, there is widespread public view that these sectors need upgrading in order to improve the performance of the entire German education system. In the case of hospitals, it has become more and more obvious that the continuous worsening of the ratio between care worker and patients has detrimental effects on the quality of hospital services.

Thirdly, in all three sectors trade unions have run relatively successful campaigns for the improvement of pay and working conditions or – in the case of hospitals – for more staff. These campaigns have explicitly articulated the link between working conditions and service quality. As a result, the unions have received largescale support from the broader public and have been able to create new strategic alliances with users of public services, such as parents or patients. Moreover, in all sectors the campaigns have generally gone hand in hand with a proactive plea for care and educational work as a public service and, in the case of hospitals, with a fundamental critique of commercialization.

However, these developments alone cannot fully explain the different trajectories of developments in Germany and other European countries. What also has to be taken into account is the fact that, in contrast to many other European countries, in Germany the financial crisis did not lead to a debt crisis. Thus, budgetary constraints were much less severe than in countries with sky-rocketing public debt. Accordingly, there were no external interventions from EU institutions of the kind that in other EU member states forced crisis-hit countries to cut public expenditure to the detriment of public services. Furthermore, the German economy not only recovered from the economic downturn relatively quickly but entered an ongoing economic up-

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swing. Since 2010, GDP, tax revenues, social contributions and employment have all been growing (Keller 2016: 208). These favourable macroeconomic conditions have enlarged the fiscal leeway of the public authorities and allowed for more public spending on public services.

Taking into account other current trends, such as the widespread public scepticism towards privatizations or the remunicipalization of previously privatized public services (Matecki and Schulten 2013), the developments we analysed in this study can be understood as parts of a more general trend against the public sector retrenchments of the past. As the hospital sector shows, public services are particular public goods that cannot simply be commodified, at least not without causing resistance. Apparently, privatizing and liberalizing public services create counter-movements. The emergence of these counter-movements might point to limits on the commodification of public services. The same applies, beyond commodification, to austerity measures that lead to a decay of public services.
Literature


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