

COLLECTIVE BARGAINING IN GERMANY 2017

Annual Report of the WSI Collective Agreement Archive

Thorsten Schulten, Götz Bauer, Ulrich Schmidt, Monika Schwacke-Pilger,
Andrea Taube, Monika Wiebel and Jasmina Ziouziou

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Impressum

The Institute of Economic and Social Research (WSI)
of the Hans-Böckler-Foundation
WSI Collective Agreement Archive

Hans-Böckler-Straße 39
40476 Düsseldorf
Telefon +49 211 7778-239
Telefax +49 211 7778-4239

www.boeckler.de
www.wsi.de

Contact

Prof. Dr. Thorsten Schulten
Thorsten-Schulten@boeckler.de

1. Trade union claims for 2017

The key sectors engaged in collective bargaining in 2017 were the wholesale, export and retail branch, regional level public administration (*Länder*), and the commercial cleaning industry. In addition, negotiations also took place in a large number of medium-sized and small branches. By contrast, some of the major economic branches did not negotiate in 2017 as pay increases agreed in 2016 were set to run through 2017 and into 2018. This was the case in the metalworking industry, the chemical industry, and federal and local government.

The economic context for the 2017 collective bargaining round indicated that the upswing would continue, with further falls expected in unemployment. Against this background, trade unions submitted claims of between 4.5% and 6.5%, broadly in line with the level of claims in the preceding year (see Table 1). The highest claim, at 6.5%, was made by the construction workers' union IG BAU for a number of the smaller sub-branches within the industry, such as the manufacture of concrete and pre-cast units and the natural stone industry. The services trade union ver.di submitted a 6% claim in regional (*Land*) government as well as in some bargaining regions in commerce (wholesale and external trade, and retailing). The food, drink and hotels union NGG also put in a claim for a 6% increase in the food service and chain catering sector ('system gastronomy'). In most branches, however, claims ranged between 5.0% and 5.5%. Lower claims of 4.5% were mainly submitted in those parts of the economy currently struggling with structural problems, such as banking, insurance, and iron and steel.

In some branches, claims were formulated as a fixed cash across-the-board rise instead of a percentage increase, intended to secure proportionally higher increases for the lower paid. For example, in some regions in the retailing sector, trade union ver.di sought an hourly increase of €1 for all employees. The same claim was made by union IG BAU for employees in the commercial cleaning industry. Claims including a 'social component', to provide for above-average rises for the lower paid, were mainly submitted in low-wage branches. One classic instance is the food service sector, where NGG sought to establish a clear gap between collectively-agreed pay rates and the statutory minimum wage.

2. Settlements

In most branches, settlements in 2017 provided for increases in agreed basic rates of between 2% and 3%, with an average settlement rate of 2.6%, exactly the same as in the preceding year (see Table 1). The majority of settlements were for more than one year, with further increases set for 2018 ranging from 1.7% to 2.5%. Summing the increases across the whole lifetime of settlements concluded in 2017, the average 'gross' settlement rate was 5.3%, with a marked gap between East Germany, where the settlement rate was 6.7%, and West Germany, where the rate of increase was 5%. This suggests that the process of convergence between pay levels in the East and West is still not complete in some branches.

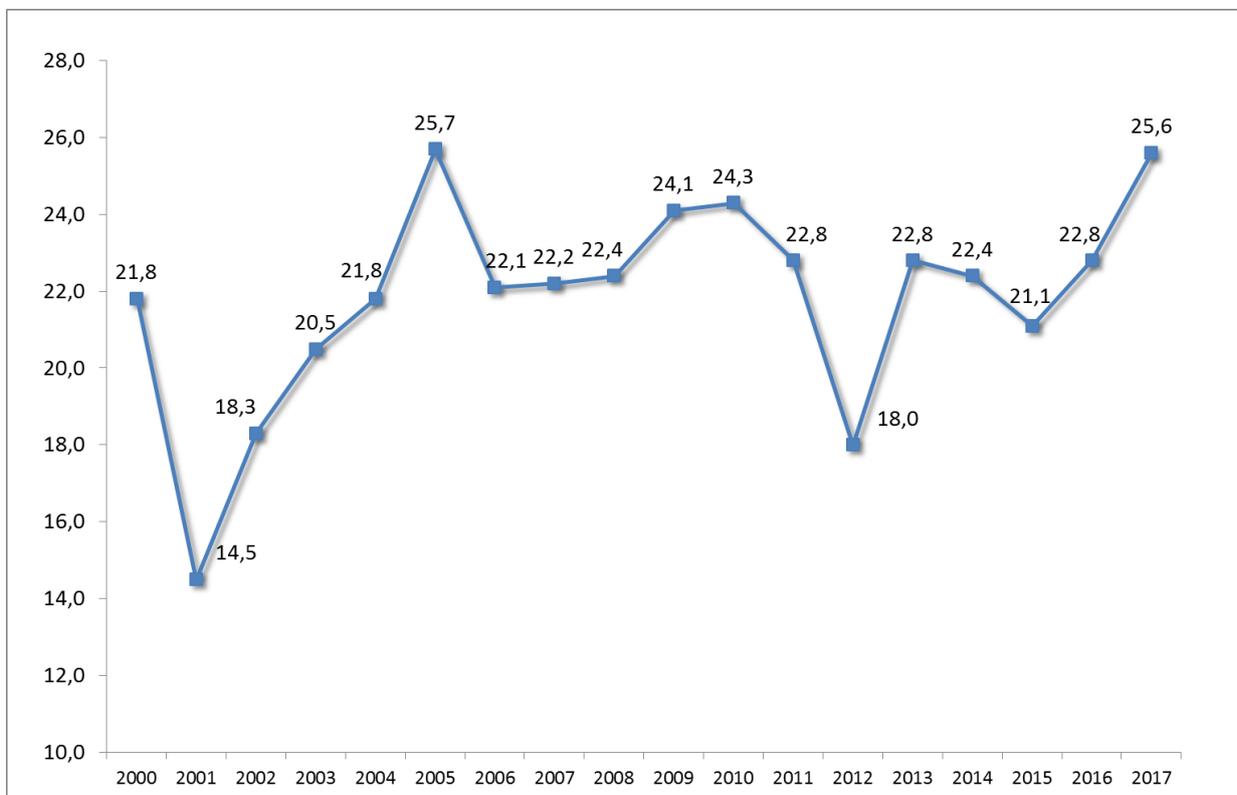
Pay increases do not always take effect immediately when a settlement is concluded and many new pay agreements provide for short 'pay pauses' during which the old pay rates remain in force before new rates take effect. The 2017 collective bargaining round saw a

relatively large number of such pay pauses. In most cases these lasted for no more than three months. In a few exceptional instances, pay pauses were much longer. For example, in 2017 a pause of seven months was agreed in the food service/chain catering sector and in the insurance industry. While some settlements have customarily included lump-sum payments to offset the effect of such pauses, lump-sums played only a minor part in the 2017 bargaining round, covering only 8.4% of the workforce. Settlements including lump-sums were concluded in the vehicle repair industry in Bavaria (€100) and the textile and clothing industry in West Germany (€320).

In 2017, trade unions affiliated to the German Confederation of Trade Unions (Deutscher Gewerkschaftsbund – DGB) concluded *wage and salary agreements* covering some 8.7 million employees. Of these, some 7.2 million were in the former West Germany and 1.5 million in East Germany. The average duration of new agreements was 25.6 months, somewhat longer than the 22.8 month duration concluded in the preceding year. This represents a continuation of the trend towards two-year agreements with two-stage pay increases that began in the 2000s (see Figure 1).

Although most trade unions have continued to submit claims for one year only, one-year settlements proved to be a rarity in 2017, covering only 4.3% of the workforce subject to collective bargaining, compared with the 90% covered by agreements concluded for a minimum of two-years.

Figure 1: Average duration of pay agreements, 2000-2017
in months



Source: WSI-Tarifarchiv

Table 1: Selected pay claims and settlements, 2017

Settlement date	Bargaining unit	Claim	Pay settlement		Duration
			2017	2018 and beyond	
10.01.17	Manufacture of paper, card and plastics	5.0%	2-month pay pause 2.1% from 01/2017	2.1% from 04/2018	24 months to 10/2018
17.02.17	Public sector (excluding Hesse)	6.0% rise in total payroll	2.0% and a minimum of €75 from 01/2017	2.35% from 01/2018	24 months to 12/2018
01.03.17	Textile and clothing West	4.5%	€320 lump sum to cover 6 months 2.7% from 08/2017	1.7% from 09/2018	24 months to 01/2019
16.03.17/ 21.03.17	Iron and steel North West Germany/East	4.5%	1-month pay pause 2.3% from 04/2017	1.7% from 05/2018	22 months to 12/2018
25.04.17	Textile industry East	4.5%	1-month pay pause 2.9% from 06/2017	1.9% from 09/2018	24 months to 04/2019
28.04.17	Hotels und catering Saxony	4.5 - 5.5%	2.6 % (lowest grade received 2.7%) from 04/2017		12 months to 03/2018
05.05.17	Confectionery North Rhine Westphalia	5.5%	1-month pay pause 2.5% from 05/2017	2.5% from 04/2018	24 months to 03/2019
06.06.17	Wholesale and foreign trade North Rhine Westphalia	5.8% and a minimum of €130 per month	3-month pay pause 2.5% from 08/2017	2.0% from 05/2018	24 months to 04/2019
27.06.17	Vehicle repair Bavaria	5.0%	€100 lump sum to cover 1 month 2.9% from 07/2017	2.9% from 11/2018	24 months to 05/2019
29.06.17	Paper manufacturing	4.8%	2.4% from 07/2017	1.2% from 08/2018	20 months to 02/2019
14.07.17	Food service/Chain catering	6.0%, with a rise for lower grades to a level clearly above the statutory minimum wage	7-month pay pause 2.6% on average from 08/2017 (rate for lowest grade raised to €9 per hour).	Average rise of 2.3% from 04/2018 and 2.5% from 01/2019	36 months to 12/2019
29.08.17	Retail North Rhine Westphalia	€1 per hour	2-month pay pause 2.3% from 07/2017	€50 additional one-off payment in 03/2018 2.0% from 05/2018	24 months to 04/2019
30.08.17	Insurance	4.5%	7-month pay pause 2.0% from 11/2017	1.7% from 12/2018	29 months to 08/2019
10.11.17	Commercial cleaning, Operatives	€1 per hour for all grades. Convergence between East and West by 2019, at the latest.	2-month pay pause	Average increases of: 2.0% West/5.1% East from 01/2018 1.8% West/4.8% East from 01/2019 1.7% West/4.7% East from 01/2020 Average of 3.5% from 12/2020 (East)	38 months to 12/2020

Source: WSI Tarifarchiv (as at 31.12.2017)

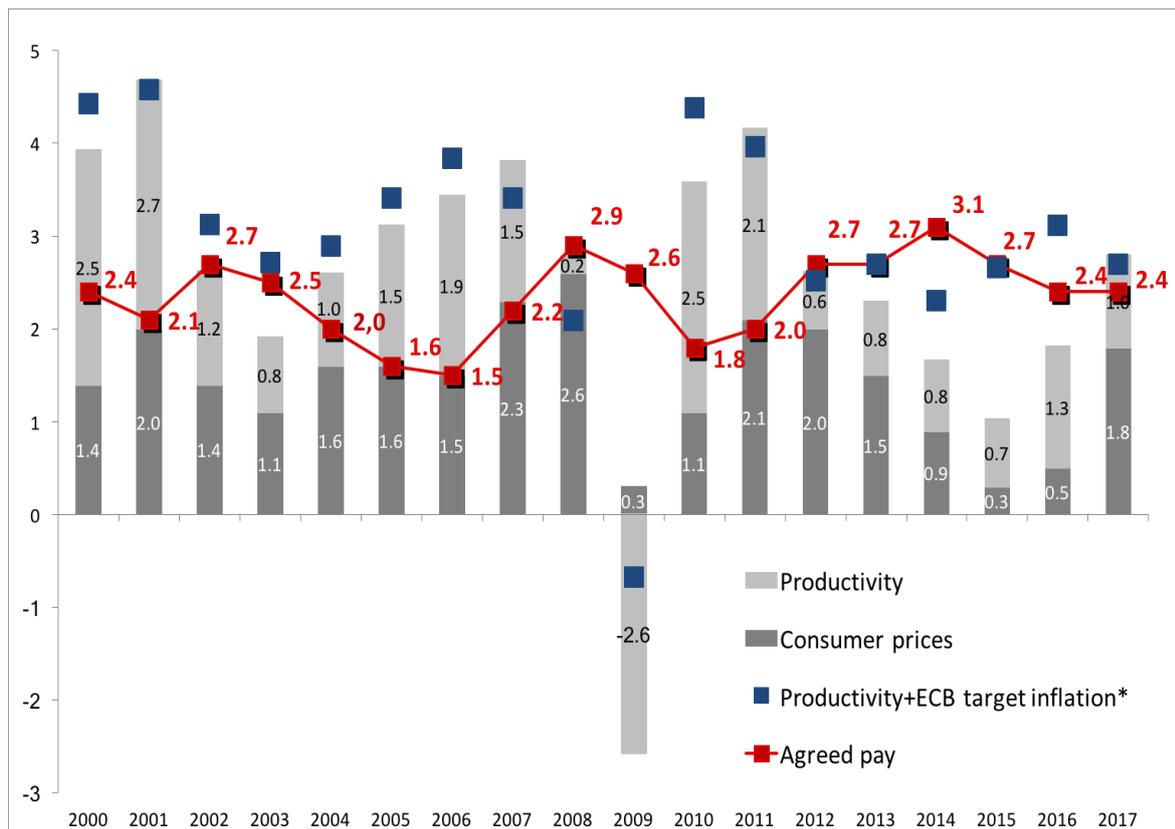
3. Annualised rise in collectively-agreed pay

In contrast to the settlement rate, the rate of increase in collectively-agreed pay for the calendar year is calculated by taking into account the effect of the timing and duration of pay settlements together with any agreed pay pauses, lump-sums and other one-off payments. In addition, the annualised rate includes both new settlements as well any carry-over provisions from the previous year that take effect in the reference year.¹

The average annualised rise in collectively-agreed pay in 2017 is, therefore, based not only on new settlements for that year but also staged increases agreed in 2016 that took effect in 2017 and had an effect on pay until at least the end of that year. In all 19 million employees were covered by settlements operative in 2017; of these 8.7 million benefited from newly-concluded settlements and 10.7 million from settlements concluded in 2016 or earlier.

Figure 2: Agreed pay, consumer prices and productivity, 2000-2017

In per cent compared with the previous year



* Target inflation rate = 1.9%

Source: WSI-Tarifarchiv, Destatis

¹ For detail on the method of calculating the annualised rate, see Bispinck (2011).

In 2017, gross agreed pay rose by 2.4% in nominal terms compared with the previous year (see Figure 2). This rate of increase was the same as that registered in 2016 and slightly lower than the values for 2015 (2.7%) and 2014 (3.1%). Deducting the rate of increase of consumer prices (1.8%) yields a real terms increase in agreed pay of 0.6% for 2017. This is considerably below the rates of increase recorded in the period 2014-2016, in which real agreed pay rose by between 1.9% and 2.4%.

The cost-neutral scope for nominal pay growth, which is the sum of consumer price inflation and productivity growth, was virtually fully exploited in 2017, following some years in which pay growth in some cases clearly exceeded this datum. However, if the target inflation rate of the European Central Bank of 2% is taken as the yardstick, then pay growth in recent years has not been especially expansive.

As Table 2 below indicates, the annualised rate of increase in agreed pay varied considerably as between different branches. The highest nominal rate of increase, at 3.1%, was in the textile and clothing industry, followed by the public sector (regional government - *Länder*) and the small trades (*Handwerk*) sector of metalworking, each with 3.0%. Branches with annualised increases slightly above the average were hotels and catering, with 2.7%, the chemical industry and public sector (federal and local government), each with 2.6%, and the metalworking industry and private transportation sector, each with 2.5%. Construction, commercial cleaning, and Deutsche Bahn AG were all exactly on the average of 2.4%. The various sub-branches of the food, drink and tobacco industry also saw increases of 2.4%.

Bargaining units with increases slightly below the average were Deutsche Telekom AG, with 2.2%, and paper manufacture, natural rubber and food service, all with 2.1%. There was an average of a 1.9% rise in the various branches of horticulture, agriculture and forestry. Other branches with increases below 2% were insurance (1.9%), retail (1.8%), printing (1.7%), and iron and steel (1.6%). The lowest increases, between 1.1% and 1.5%, were in wood and synthetic materials, wholesale and foreign trade, at Deutsche Post AG, and in banking.

Table 2: Rise in agreed pay in 2015 in selected branches

In per cent compared with the previous year

Branch	All Germany	West	East
Construction	2.4	2.3	2.6
Clothing industry	3.1	3.1	-
Chemical industry	2.6	2.6	2.6
Deutsche Bahn AG	2.4	2.4	2.4
Deutsche Post AG	1.3	1.3	1.3
Deutsche Telekom AG	2.2	2.2	2.2
Printing	1.7	1.7	1.7
Retailing	1.8	1.8	1.8
Iron and steel industry	1.6	1.6	1.7
Horticulture, agriculture and forestry*	1.9	1.8	2.3
Commercial cleaning	2.4	2.1	3.6
Wholesale and foreign trade	1.4	1.4	1.3
Hotels and catering	2.7	2.7	2.5
Wood and synthetic materials	1.5	1.5	1.5
Natural rubber industry	2.2	2.1	2.4
Metalworking small trades sector	3.0	2.9	3.7
Metalworking industry	2.5	2.5	2.5
Food, drink and tobacco*	2.4	2.4	2.8
Public sector (Federal and local government)	2.6	2.6	2.6
Public sector (regions - <i>Länder</i>)	3.0	3.0	3.0
Paper manufacturing	2.1	2.1	2.1
Private transportation (freight forwarding etc.)	2.5	2.3	4.1
Food service	2.2	1.9	3.7
Textile industry	3.1	3.1	3.0
Insurance	1.9	1.9	1.9
Whole economy	2.4	2.3	2.7

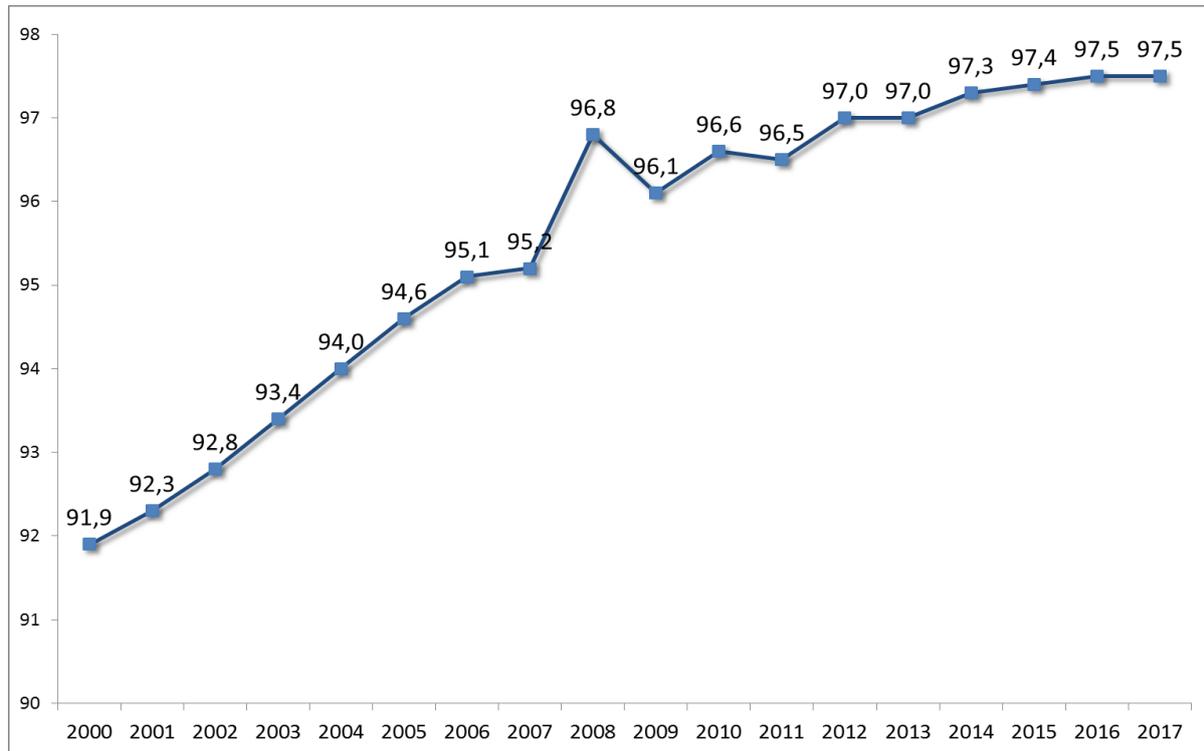
* Average increase across various sub-branches in the sector.

Source: WSI-Tarifarchiv (as at 31.12.2017)

In regional terms, agreed pay rose by 2.7% in East Germany, still somewhat above the rate of increase in West Germany, at 2.3%. Although pay differences between East and West have been eliminated in many industries, with identical increases in each, convergence is still underway in some sectors. In 2017, there were markedly higher increases in the East, for example, in private transportation (4.1%), and in the small trades sector of metalworking and in food service, each with 3.7%, and in commercial cleaning, with 3.6%. By the close of 2017, the average level of collectively-agreed basic pay in East Germany was 97.5% of that in West Germany (see Figure 3). This figure has scarcely changed in recent years, suggesting that significant differences in pay levels still persist in a few branches.

Figure 3: Agreed pay in East and West Germany, 2000-2017

Agreed basic pay in East Germany as a percentage of the West German level

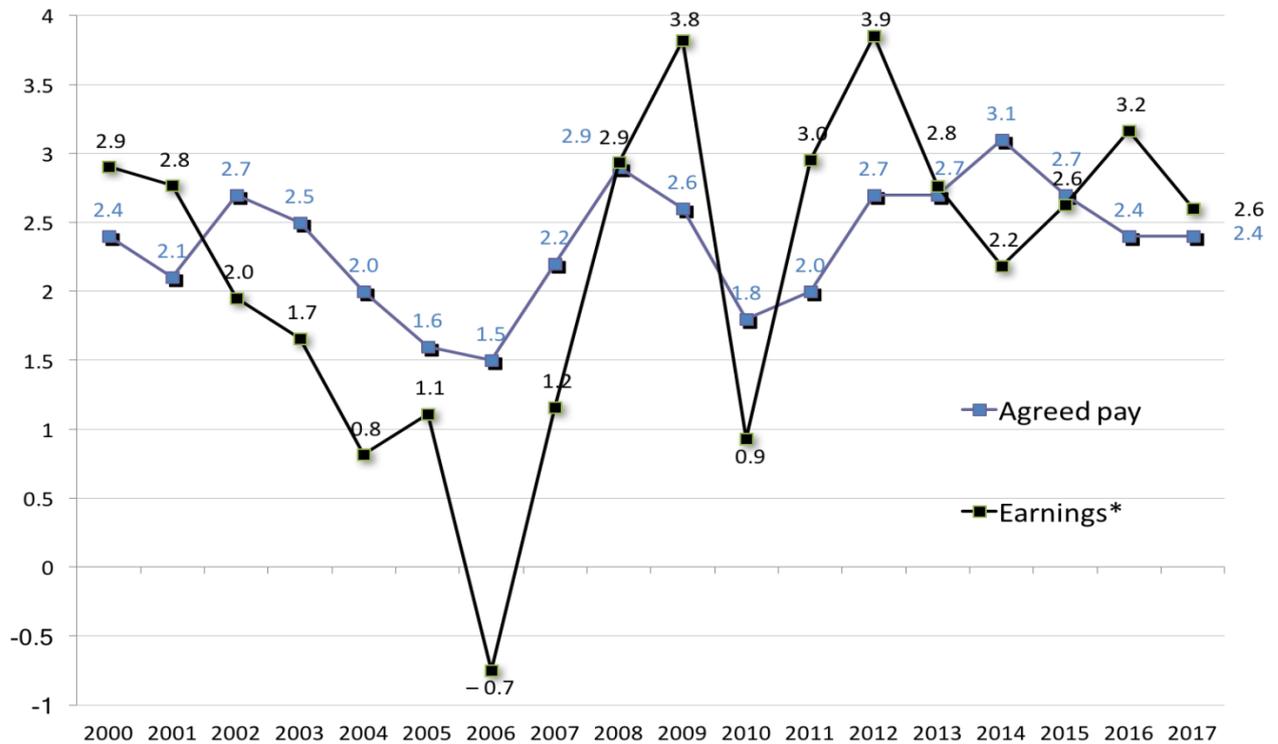


Source: WSI-Tarifarchiv (as at 31.12.2017)

In contrast to agreed pay, earnings per hour - that is actual pay received by all employees, including those outside the scope of collective bargaining - rose by 2.6% in 2017, slightly higher than collectively-agreed pay. This represents a continuation of the positive slight wage drift that has been in train in recent years. The main factors contributing to this during periods of economic upswing are payments for overtime and workplace- and company-level supplements to agreed industry pay rates. In addition, when unemployment is low many firms that are not subject to collective bargaining cannot allow themselves to drift too far behind the going rate in pay negotiations, a situation that can change during periods of economic stagnation. Wage drift was mostly negative, for example, during the 2000s, when collective bargaining coverage was falling and pay in firms outside the scope of collective bargaining clearly lagged behind the pace of agreed increases (see Figure 4). In general, earnings are much more volatile quantity and changes in earnings are more strongly shaped by economic fluctuations than are changes in agreed pay.

Figure 4: Agreed pay and earnings, 2000-2017

Percentage increase compared to previous year



* per hour

Sources: WSI-Tarifarchiv, Destatis

4. Statutory minimum wage and agreed branch-level minimum wage rates

The statutory minimum wage, introduced in January 2015 at a rate of €8.50 per hour, was increased for the first time from 1 January 2017 to €8.84 per hour. The recommendation for this made by the Minimum Wage Commission (*Mindestlohnkommission*) was based on the average rate of increase of agreed pay, as recorded by the Federal Statistical Office.² In line with the review procedure in the Minimum Wage Act (*Mindestlohngesetz*), which provides for an adjustment every two years, the next increase is scheduled for 1 January 2019. However, interim provisions that allowed for wage rates in some branches to remain below the statutory level for an initial transitional period expired on 1 January 2018.

The introduction of the statutory minimum wage led to above-average increases in pay rates in the low-wage sector without any evident notable negative impact on the labour market (*Mindestlohnkommission*, 2016; *Bruttel et al.*, 2017). Moreover, the statutory minimum wage also influenced the development of agreed pay in some branches, contributing to substantial rises in pay rates for the lower paid (*Bispinck*, 2017; *Bispinck/WSI-Tarifarchiv*, 2017).

² Differences in the method of calculation and the fact that the collective agreements included in each are not wholly identical means that the WSI and Federal Statistics Office figures for agreed pay might differ slightly, but usually not more than a few tenths of a percent. The same applies to the Bundesbank's collective bargaining statistics.

However, a number of collective agreements continue to have wage grades that are either below the statutory minimum or which run the risk of slipping under this level when periodic adjustments are made to the statutory minimum rate. One classic instance of this is the food service/chain catering sector, in which the lowest pay grades dropped below the statutory minimum wage following the latter's 2017 increase and which had to be substantially increased in the 2017 pay round in order to ensure a clear gap between the lowest agreed rate and the statutory minimum.

At the start of 2018, twelve branches had agreed minimum wage rates that had been declared generally binding under the provisions of either the Posted Workers' Act (*Arbeitnehmer-Entsendegesetz*), the Collective Bargaining Act (*Tarifvertragsgesetz*) or, for agency employment, the Agency Employment Act (*Arbeitnehmerüberlassungsgesetz*).³ The level of branch-level agreed minimum wages varied from €8.91 an hour in the agency employment sector in East Germany to €15.63 in the branch dealing with cash and valuables in transit in some West German regions (*Länder*). Aside from agency employment, the only branch of the twelve in which the hourly agreed minimum rate was below €10.00 was commercial cleaning in East Germany. Rates were generally much higher in the other cases.

In a number of branches, agreed minimum rates had expired without any new rates being agreed by the reference date for this review of 1 January 2018. These included the waste disposal industry, the signwriting and display industry, textiles and clothing, and laundry services. In agriculture and forestry, a 'national recommendation' was issued by the trade union and employer association as a guide for regional-level negotiations, according to which the lowest pay rate should be set at €9.10 as from January 2018 (IG BAU, 2017). Although the 'Act to Strengthen Free Collective Bargaining', passed in 2014, in principle allowed any branch to set generally-binding minimum rates using the provisions of the Posted Workers Act, this option has been used by only a few.

³ These statutes contain provisions that allow either for collective agreements to be extended or for negotiated minimum rates to be applied to all employments, irrespective of whether the employer is a signatory to the relevant collective agreement. Agency employees in Germany are directly employed by employment agencies.

Table 3: Generally-binding agreed minimum branch-level pay rates, 2018

In € per hour

Branch	West*	Ost*
Vocational training and education	15.26	15.26
Construction (Unskilled)***	11.75	11.75
Construction (Skilled)***	14.95	
Roofing (Unskilled)***	12.20	12.20
Roofing (Skilled)***	12.90	12.90
Electrical contracting	10.95	10.95
Commercial cleaning (Internal cleaning and upkeep)***	10.30	9.55
Commercial cleaning (External and glass)***	13.55	12.18
Cash and valuables in transit	12.90-16.53**	12.64
Cash and valuables (static services)	10.91-13.56**	10.38
Scaffolding	11.00	11.00
Agency employment	9.23	8.91
Painting and varnishing (unskilled occupations)	10.35	10.35
Painting and varnishing (journeyman)	13.10	11.85
Social care	10.55	10.05
Chimney sweeping	12.95	12.95
Stonemasonry	11.40	11.20

* some branch-level minimum wages differ from these in the Berlin area.

** varies by region; *** agreement not yet extended.

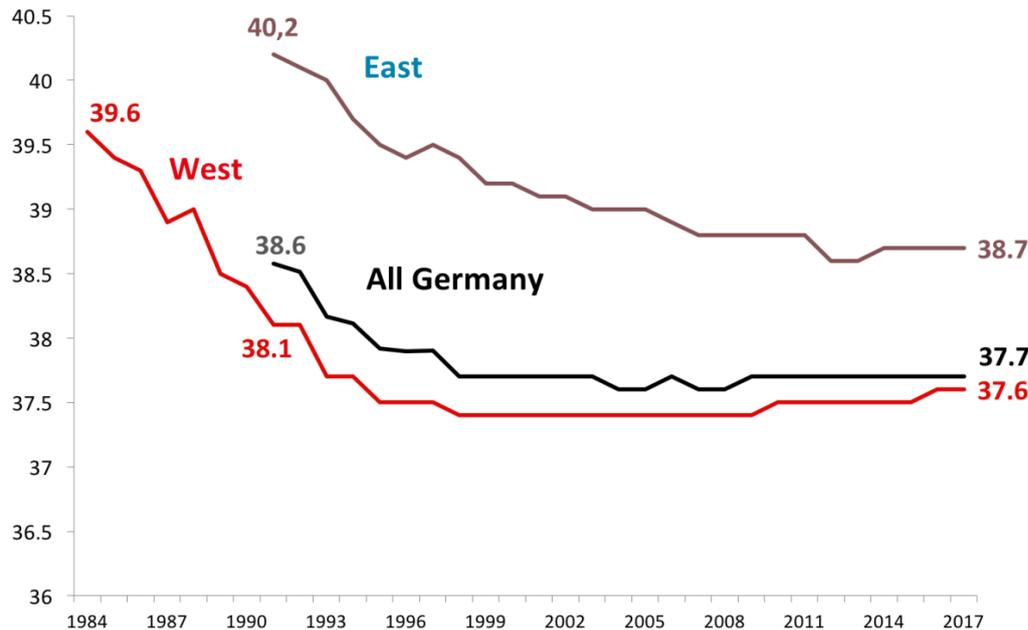
Source: WSI-Tarifarchiv (as at 1. Januar 2018)

5. Agreed working hours and staffing levels

Following a period of intense bargaining between the mid-1980s and mid-1990s, at the end of which the West German metalworking industry and a small number of other branches had achieved a 35-hour week, over the past two decades the issue of working time has played only a minor role on collective bargaining, with average weekly working hours remaining broadly constant (Bispinck et.al., 2017, Figure 5). In 2017, average agreed weekly hours stood at 37.7, the same as the previous year. And in East Germany, employees covered by a collective agreement still need to work more one hour longer than their Western counterparts, with an average working week of 38.7 hours.

Figure 5: Average weekly working hours, 1984–2017

In hours



Source: WSI-Tarifarchiv (as at 31.12. 2017)

The issue of working time did not generally feature in the 2017 bargaining round. There were some notable exceptions, however. In December 2016, the rail and transport union, EVG, concluded an agreement with Deutsche Bahn AG that including a pioneering scheme, under which, as from 1 January 2018, individual employees can choose either a 2.6% pay increase, a one-hour per week working time reduction, or six additional days leave each year (Müller, 2017). In the employee survey conducted in mid-2017 to ascertain the workforce's choices, 56% of rail staff opted for additional leave, 42% for the pay increase, and just 2% for a reduction in weekly hours (EVG, 2017).

The mining, energy and chemical workers' union IG BCE also placed the issue of working hours squarely in the 2017 bargaining round with a claim for a 90-minute reduction in weekly hours for employees in the chemical industry in East Germany to bring this into line with the West. After five rounds of negotiations, IG BCE concluded an agreement with the employer association Nordostchemie that provided for a pioneering working time arrangement dubbed the 'Potsdam Model' (IG BCE, 2017), under which employers and employee representatives at workplace level can set working hours locally within a 'working time corridor' of 32-40 hours. Should no agreement be reached, working hours will be set by an agreed fall-back provision with weekly hours falling in three stages from the current 40 to 39.5 from 2019, 39 from 2021, and 38.5 from 2023 - in all cases with no loss of pay. The agreement also allows workplace agreements to introduce scope for greater individual working time choice.

The campaign initiated by ver.di in early-2017 for an agreement to relieve the stress on hospital employees is not primarily about working time reductions but rather on raising the overall volume of hours worked through the recruitment of additional staff. Ver.di's core demand is for a binding commitment on hospital employers to have specified levels of staff in

nursing roles. Following agreements with selected hospitals, such as Charité in Berlin, the campaign has escalated to include not only public but also private and church-run hospitals

6. Strengthening collective bargaining coverage

According to data from the regular survey conducted by the IAB Establishment Panel, only 59% of employees are directly covered by a collective agreement; in East Germany, the figure is as low 49% (Ellguth and Kohaut, 2017). This confirms the steady and continuing fall in collective bargaining coverage from the mid-1990s up to the present (Schulten and Bispinck, 2018). Although industry-level collective agreements exercise an indirect influence over employers that have opted to remain outside their formal scope, there are now nonetheless large parts of the economy, especially in private services, that are no longer covered or affected by collective bargaining. This context has given particular urgency to the question of how to strengthen the system of collective bargaining. In February 2017, the DGB (DGB, 2017) produced a wide-ranging position paper summarising the most important measures, from a trade union perspective, required to reinforce and bolster the system. These included:

- Provisions in statute law allowing further stipulations of employment terms and conditions to be derogated to collective bargaining ('dispositive law'), even if unfavourable to employees, should only be allowed only if such provisions do not weaken minimum collectively-agreed standards and contain an equivalence provision;
- Statutory limitations to be placed on the scope for employer associations to establish forms of membership that do not require compliance with collective agreements, known as 'OT membership' (OT = 'ohne Tarifbindung' or 'without compliance');
- Collective agreements applicable at a firm/organisation to continue in force automatically where a firm sheds individual units;
- Improvements to the statutory principle under which the provisions of collective agreements continue in force after an agreement formally expires or been terminated with notice ('evergreen' rule);
- Introduction of a right for organisations to initiate legal actions in labour law;
- Further reform of the law on the extension of collective agreements;
- Retention and strengthening of laws and regulations on contract compliance;
- Improvements in trade union rights of access to establishments;
- Strengthening trade unions through allowing trade union members to be treated more favourably in collective agreements.

During 2017, trade unions were engaged in numerous struggles at both workplace and sectoral level either to prevent employers from relinquishing collective bargaining or to bring others into its scope. In the Hesse region, for example, the metalworkers' union IG Metall was drawn into a conflict when the small trades (*Handwerk*) employer association for the vehicle maintenance sector decided to terminate all applicable collective agreements in order to extract itself entirely from any future collective bargaining. After an intense campaign, IG Metall succeeded in concluding fresh collective agreements with a newly constituted bargaining consortium, covering only those firms that made an express decision to place

themselves within the scope of collective bargaining. These agreements covered only a third of the workforce subject to the previous collective agreements, however.

There were also notable conflicts over collective bargaining coverage in retailing, where only 40% of the workforce are now covered by a collective agreement (Schulten and Bispinck 2018). The services trade union ver.di has been heavily engaged in company-level disputes in this branch, including at on-line retailers Amazon and Zalando, both of which refuse to recognise the collective agreements for the sector. In view of the serious erosion of collective bargaining in retailing, ver.di began a campaign to reintroduce the practice of extending industry-level collective agreements that was widespread until the late-1990s. However, the employer association, Handelsverband Deutschland, has rejected this as it would nullify the non-complying forms of organisational membership now prevalent in the sector.

These experiences in the retail sector highlight the extent to which the spread of non-complying membership in employer associations acts to block the greater use of the statutory provisions for extending collective agreements. They also indicate that reforms to the extension procedure introduced in 2014⁴ have not been sufficient to enable the extension of more agreements (Schulten, 2018). This has led to trade union calls for further reforms to the extension procedure, and in particular abolition of the right of employer representatives on the statutory committees that decide on whether an agreement may be extended to exercise a veto when votes are taken (Körzell and Nassibi 2017).⁵

7. Prospects

The 2018 round is expected to turn on three key issues (Schulten, 2017). Firstly, there will be a much more expansive approach to pay, given the extremely positive economic context. Trade unions have typically put in claims for 6% pay increases, at least one and half percentage points higher than 2017. The call for such an approach is warranted not only by distributive considerations but also in macro-economic terms as a contribution to consolidating the upswing. As a new collective agreements in the metal industry – concluded in early February 2018 – foresees a 4.3 percent pay increase in 2018, a benchmark has been set also for other sectors.

Secondly, the metalworking agreement includes new innovative working time provisions, according to which individual employees have the option to reduce their working time down to 28 hours a week and after a maximum period of two years can go back to full-time of 35 hours. Furthermore, certain groups of employees (e.g. shift workers or workers caring for

⁴ This statute (*Tarifautonomiestärkungsgesetz*), passed by the Conservative-Social Democrat coalition, made a number of changes to the requirements for a collective agreement to be extended (such as abolishing the condition that such an agreement must already cover 50% of the workforce in the relevant industry and replacing it with a less quantitative definition of an agreement's significance).

⁵ The decision as to whether an agreement may be extended is taken by 'collective bargaining committees' established under the Collective Agreements Act at Federal and regional (*Land*) level. These consist of three representatives each of the national representative employer (BDA) and employee organisations (DGB). The national employer organisation can, and do, block an application for an agreement to be extended, even where employer and employee organisations at industry level make a joint application.

kids or other relatives) have the possibility to choose between higher wage increases or extra days off. Sooner or later these are likely to have an impact on other branches and will put the issue of working hours back at the heart of the bargaining agenda.

And thirdly, the 2018 bargaining round will once again be focused on how collective bargaining outcomes can benefit as many employees as possible. This applies, in particular, to the large number of employees in the classic low-wage sectors that are currently outside the scope of collective bargaining. The critical issue for these workers will be developments in the field of the statutory minimum wage. In mid-2018, the Minimum Wage Commission will issue its recommendation for the increase due on 1 January 2019. Its decision will indicate whether it will take advantage of the favourable economic situation to raise the level of the minimum wage above the rate of increase of average pay settlements. At the same time, finding new ways to raise collective bargaining coverage, especially in low-wage sectors, will remain a critical task for the future.

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