RE-STRENGTHENING COLLECTIVE BARGAINING: EXPERIENCES FROM GERMANY

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1. (Partial) Erosion of Collective Bargaining

2. Strategies and Approaches for a Re-Strengthening of Collective bargaining
Collective Bargaining Coverage and Union Density, in % all of workers

Collective Bargaining Coverage

Union Density

Source: OECD
Collective Bargaining Coverage and Union Density, in % all of workers

Collective Bargaining Coverage

Portugal

81,4 80,8 78,3 81,2

Germany

80,8 67,8 61,7 73,6

Union Density

Portugal

29,2 26,6 20,5 18,9 16,3

Germany

24,6 20,5 19,6 15,3

Source: OECD
Collective Bargaining Coverage in Germany 2020, in % all of workers

- Public Administration: 98%
- Energy/Water/Waste Disposal: 77%
- Banking and Insurances: 71%
- Health & Education: 60%
- Construction: 58%
- Manufacturing: 55%
- Total: 51%
- Transport & Logistics: 47%
- Company-related Services: 44%
- Hotels and Restaurants & Other Services: 37%
- Agriculture: 35%
- Retail Trade: 29%
- Information & Communication: 13%

Source: IAB
Key Companies in Germany
without Collective Agreements

E-Commerce

E-Cars

Biotechnology
(Vaccine Production)
Approaches for a Re-Strengthening of Collective Bargaining

State/Political Power

Strengthening from above

Extension/Labour Clauses in Public Procurement

Increase of Collective Bargaining Coverage

Trade Union Power

Strengthening from below

Organizing & Systematic Development of Companies to enforce Collective Agreements
Enforcement of collective agreements
at company-level via establishment and increase of new organisational power

• Preventing collective bargaining evasion
  (in the case of outsourcing or withdrawal from collective agreements)

• Entering new companies
  and establishing collective bargaining for the first time
Strengthening from below
Organizing & „House Figth“ („Häuserkampf“)

IG Metall: Development Projects
(Erschließungsprojekte)

- Long-term organizing project (10 years)
- Systematic strategy to create new union strength and to enforce collective agreements in selected companies
- Central coordination of local activities

- Additional resources for local union organizations (money and staff)
- Use of specialized and trained “Organizers”
6 Steps to enforce a collective agreement in the company:

1. Recognise that workers would be better off with a collective agreements!
2. Get contact to IG Metall!
3. Organize members in the company!
4. Create a collective bargaining commission at company-level
5. Check your bargaining power & ability to take industrial action
6. Start negotiations with the employer
IG Metall: Development Projects
The example of Baden-Württemberg

Costs and benefits
(from new members‘ fees)

Results since 2015:

Ca. 26,000 new members
87 more companies with collective baraining

Source: IG Metall
Problems of the Approach:

- Extremely **Resource- and Time-intensive Strategy**
- Successful only in **individual cases** (lighthouse projects), but **not generalisable** in all sectors and for all small and micro enterprises.
- **Generalisation** needs the institution of **sectoral collective agreement**
Approaches for a Re-Strengthening of Collective Bargaining

**State/Political Power**

- Strengthening from above
- Strengthening from below

**Trade Union Power**

- Extension/Labour Clauses in Public Procurement
- Organizing & Systematic Development of Companies to enforce Collective Agreements

Increase of Collective Bargaining Coverage
Strengthening from above
Extension of Collective Agreements

From an exception to a broader use …

Reform of the Rules for Extension

• Less strict Criteria

• Abolition of Employer’s‘ Veto Power
Strengthening from above
Labour Clauses in Public Procurement

Public Money only for Companies with Collective Agreements

Labour Clauses for Public Contracts and Concessions as well as for State Economic Development Programmes
Strengthening from above
Ban on Precarious Employment

Occupational Safety and Health Inspection Act
Arbeitsschutzkontrollgesetz

From January 2021:
Ban on contracts workers
... in the core areas of meat production

Re-enforcement of collective bargaining in the meat sector

Download: https://www.wsi.de/de/faust-detail.htm?sync_id=HBS-007928
Problems of the Approach:

- High dependence on state support and labour-friendly governments
- Danger that trade unions are not able to defend regulations in the event of a political change
Approaches for a Re-Strengthening of Collective Bargaining

State/Political Power

Strengthening from above

Extension/Labour Clauses in Public Procurement

Increase of Collective Bargaining Coverage

Strengthening from below

Trade Union Power

Organizing & Systematic Development of Companies to enforce Collective Agreements
Further Information:
WSI Collective Agreement Archive

WSI TARIFFARCHIV

WSI COLLECTIVE AGREEMENT ARCHIVE
As the principal information centre on trade union policy on collective bargaining, the main task of the WSI Collective Agreement Archive is to track and analyse developments concerning collective agreements.

Besides publishing a monthly status reports on current agreements, the Archive also produces special analyses. The Archive has an online database providing access to information on specific collective agreements and giving overviews of developments pertaining to collective agreements in all the major sectors. Every year the Archive publishes an annual report on current collective bargaining policy developments and a "Statistical Pocketbook on Collective Bargaining" with up-to-date informations and many longer time-series.

Archive Homepage (in German) »

COLLECTIVE BARGAINING IN GERMANY 2020
ANNUAL REPORT OF THE WSI COLLECTIVE AGREEMENT ARCHIVE
Thorsten Schulten and the WSI Tarifarchiv

1. The 2020 bargaining round: context and overview
2. Main settlements in 2020
3. Annualised rise in collectively-agreed pay
4. Agreed increases in the whole economy
5. Agreed pay and earnings
6. Agreed increases in individual branches
7. Collective bargaining in East and West Germany
8. Collective bargaining in East and West Germany
9. Minimum wage and agreed branch-level minimum wages
10. The evolution of the statutory minimum wage
11. Collectively-agreed branch-level minimum wages
12. Collectively-agreed provisions on job security
13. Collective bargaining coverage
14. Prospects
15. References

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