

# CHALLENGES TO TRADE UNIONS IN GERMANY

---

Anke Hassel

TURI 16 May 2018

Berlin

# Content

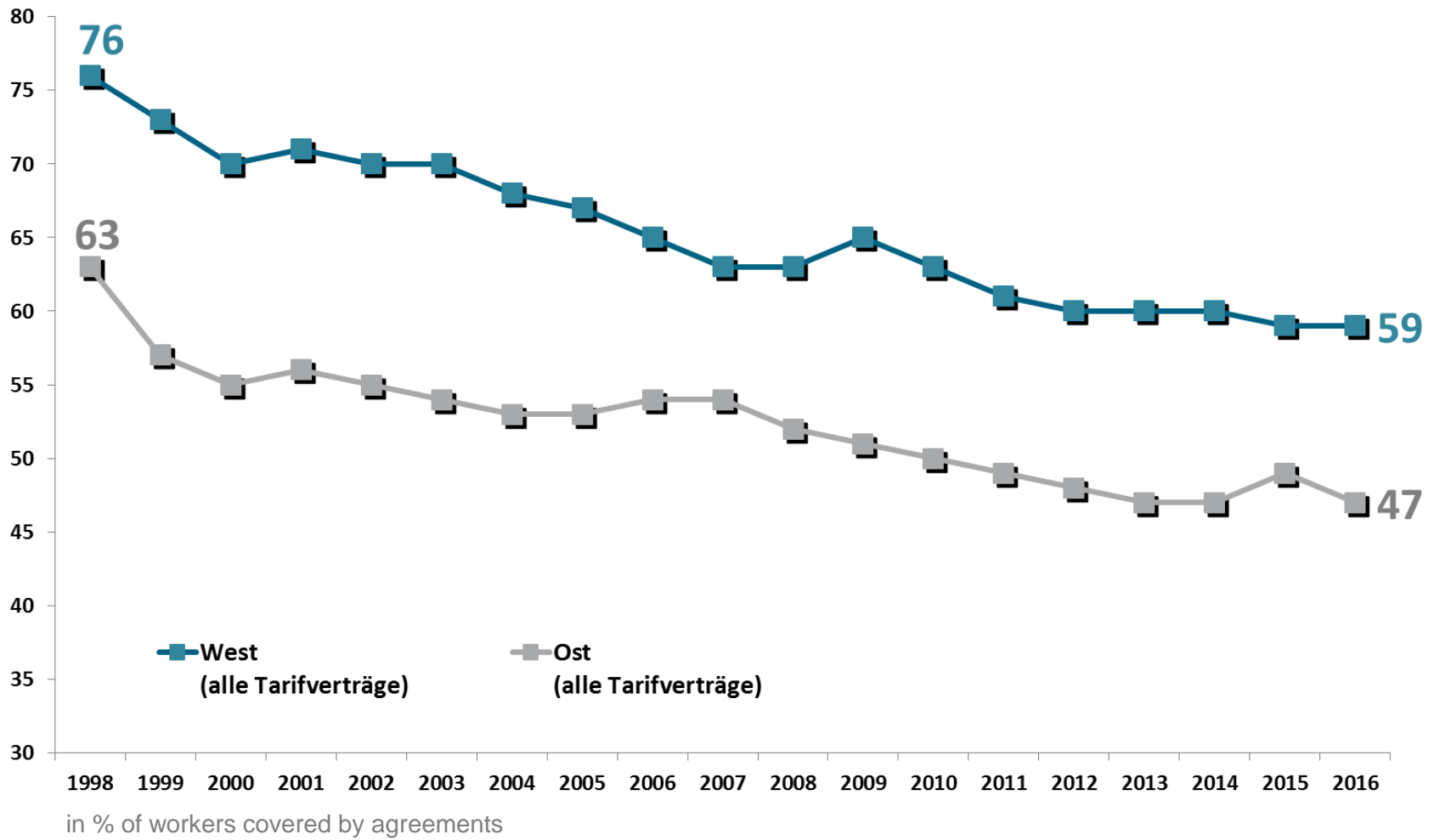
---

Collective bargaining coverage

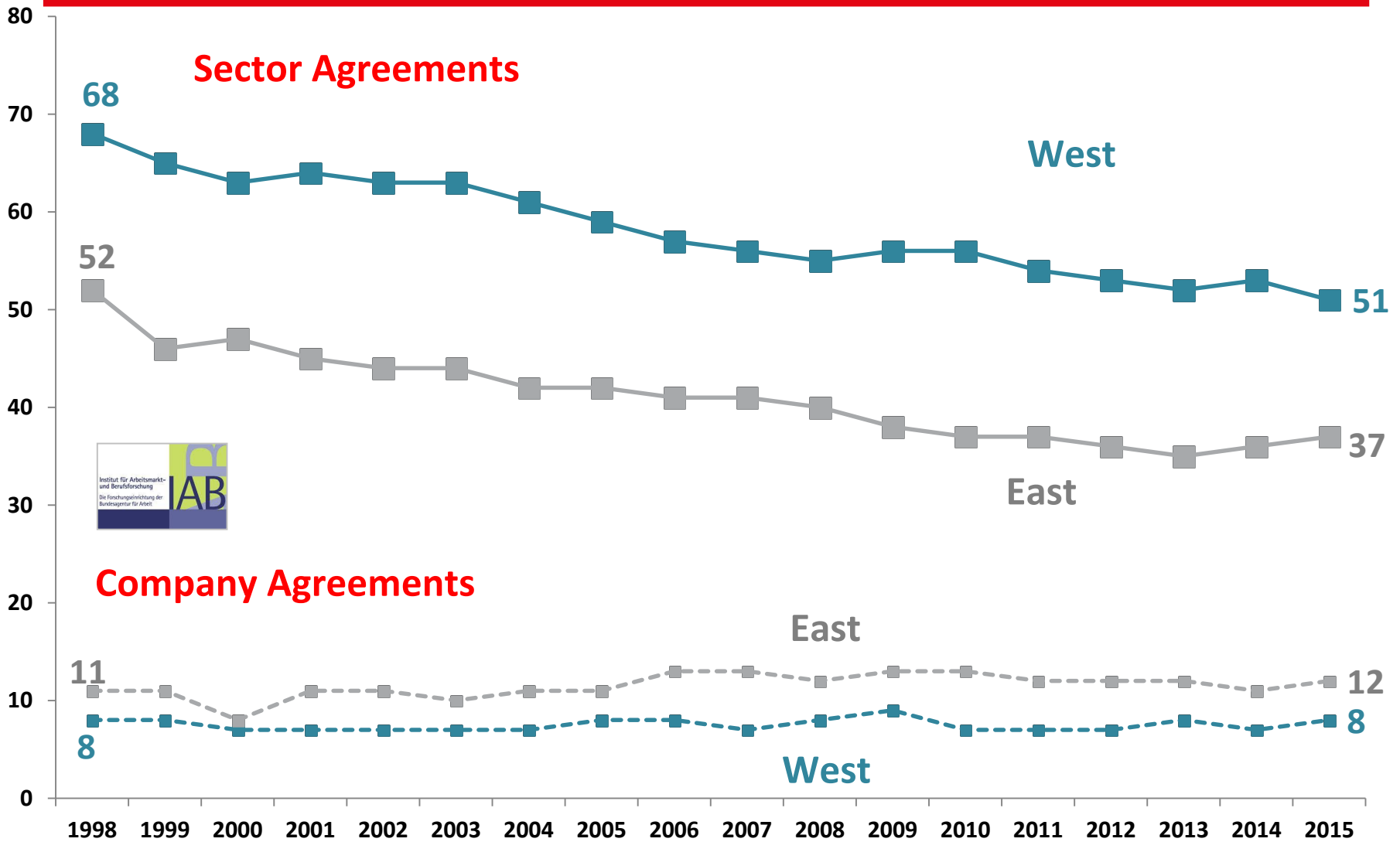
Union membership

Trade unions and the grand coalition government,  
2014-2017

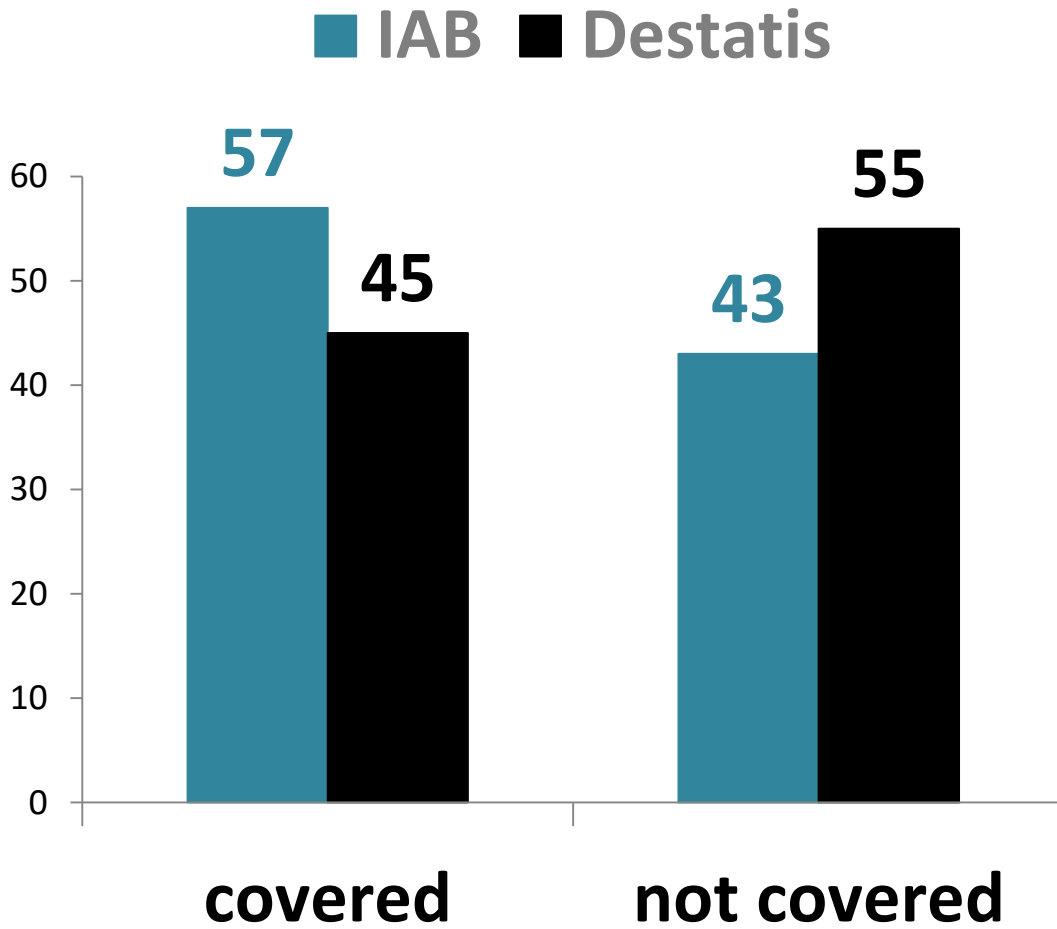
# Collective Bargaining Coverage 1998-2016



# Collective Bargaining Coverage 1998-2015



# Collective Bargaining Coverage 2014/2015



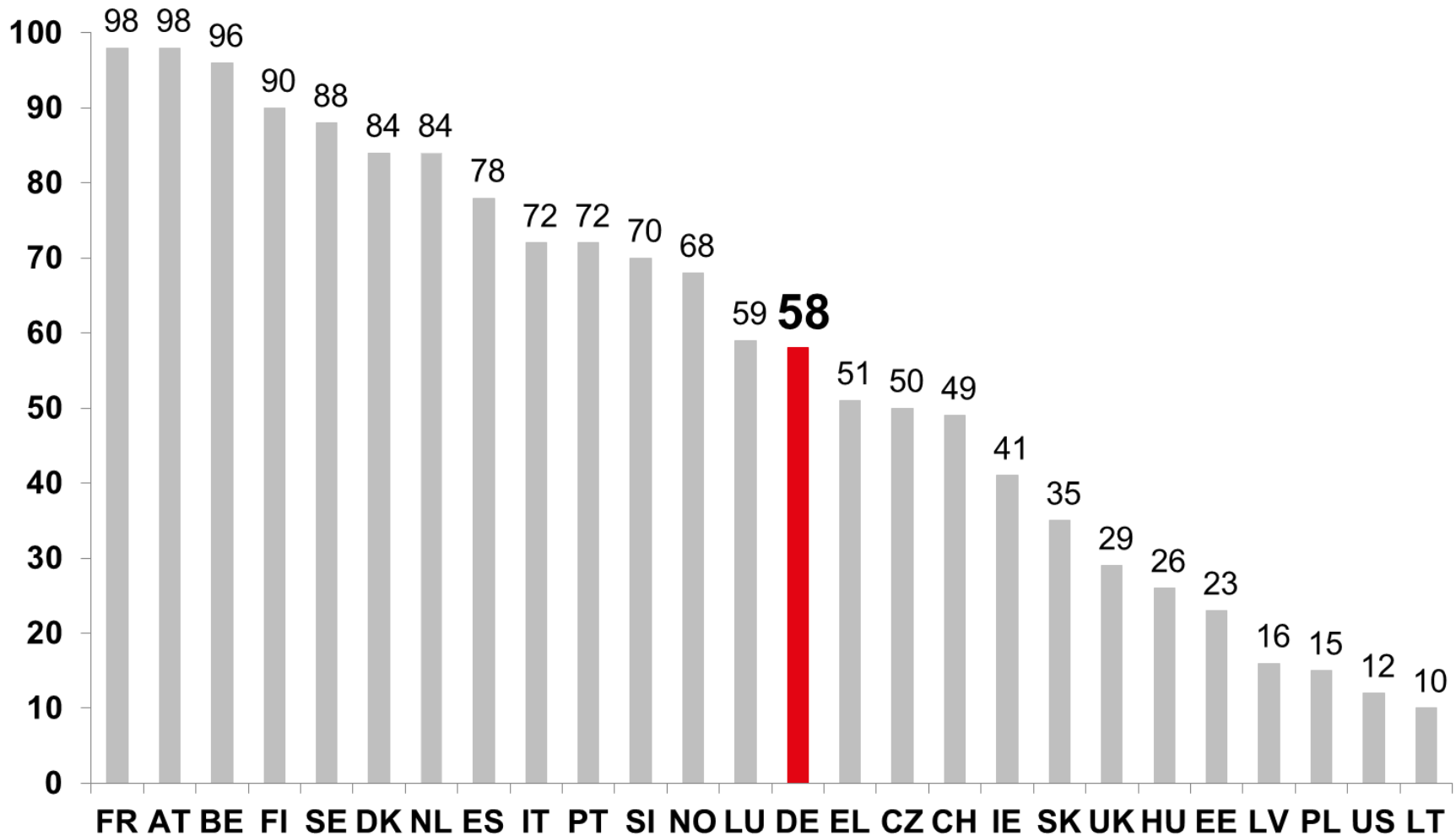
in % of workers covered by agreements



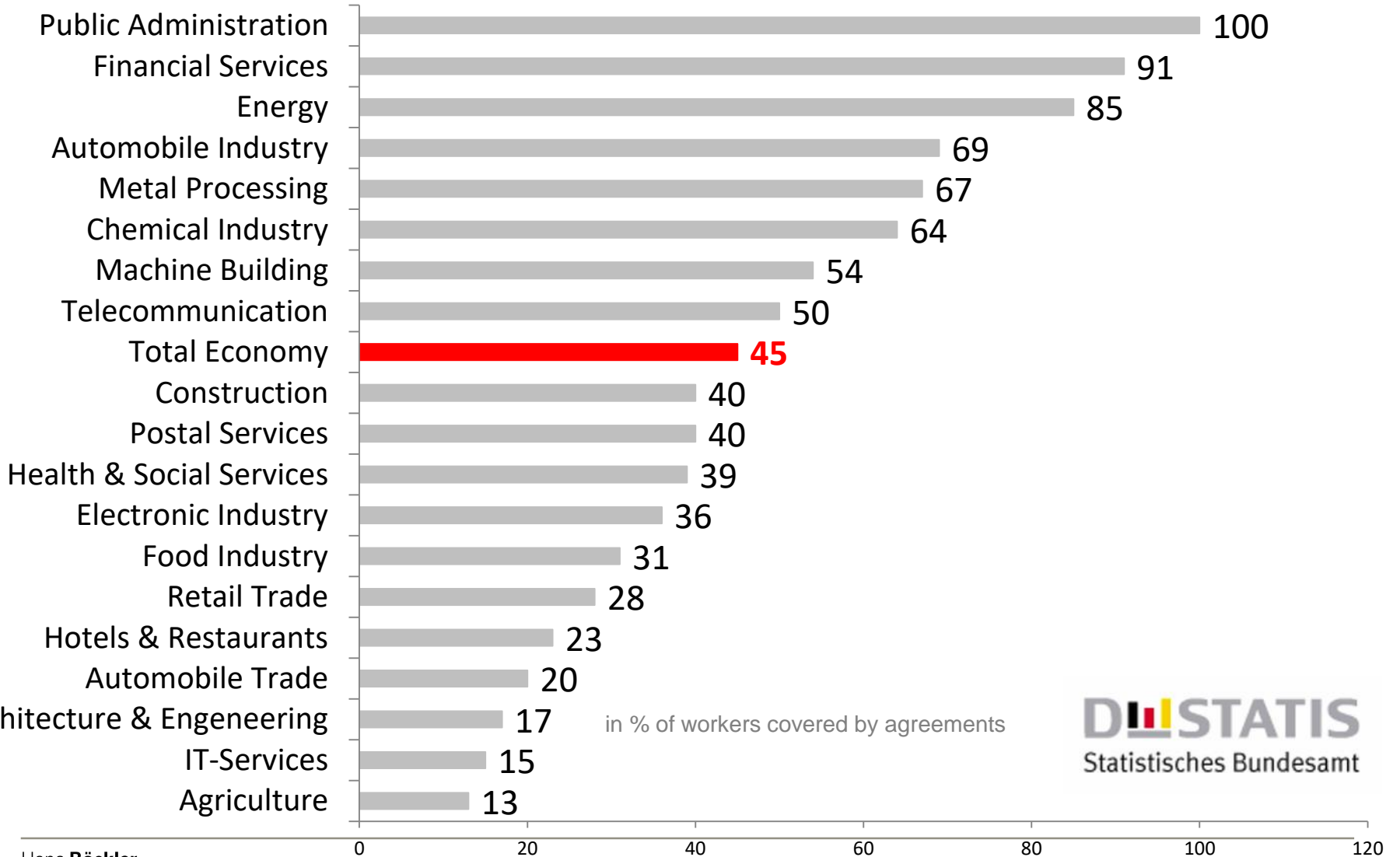
Establishment Panel	Structure of Earnings Survey
16,000 Establishments	60,000 Establishments
Annual	Every four years
Representative Survey with Establishments of all Sizes	



# Collective bargaining coverage\*

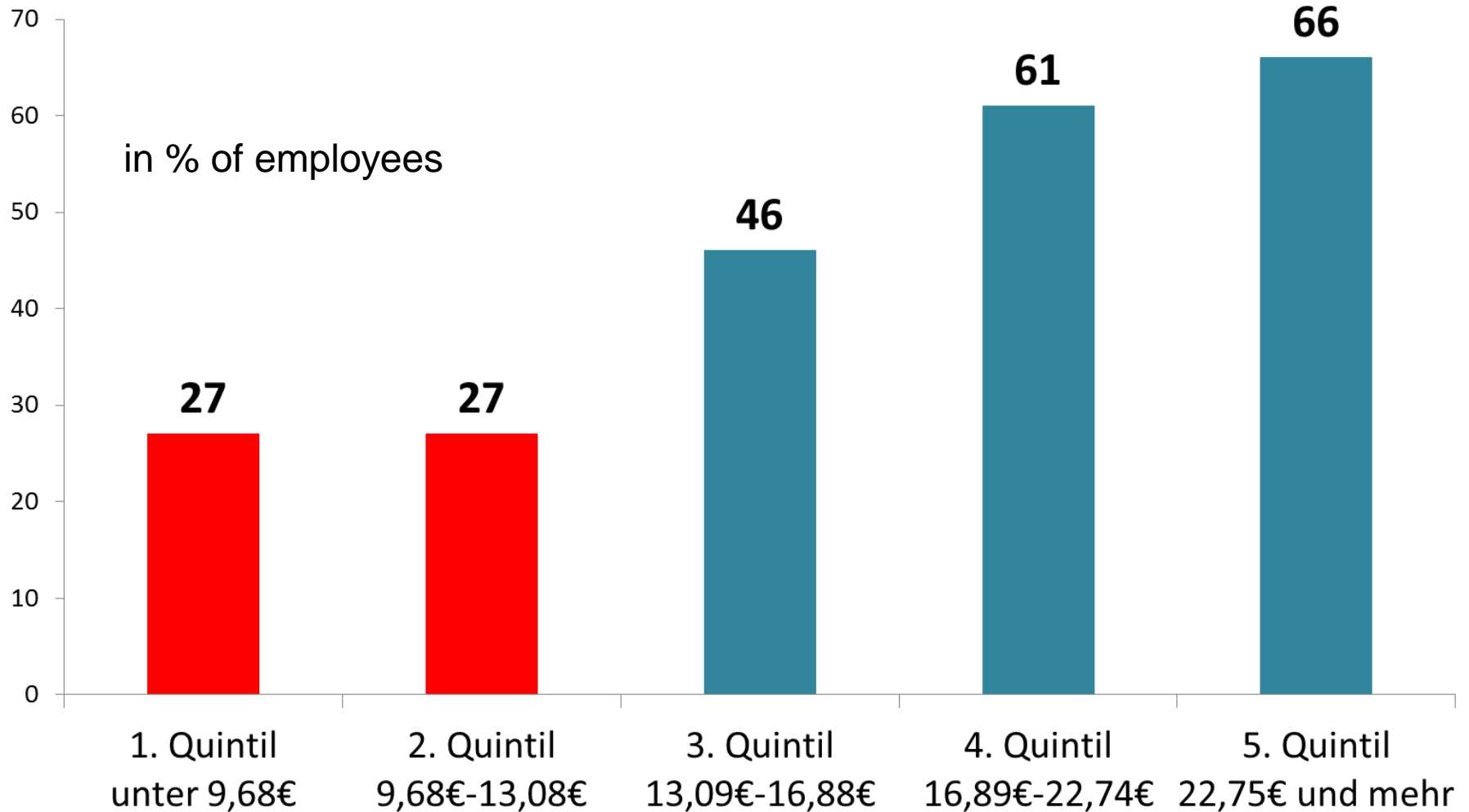


# Collective Bargaining Coverage 2014



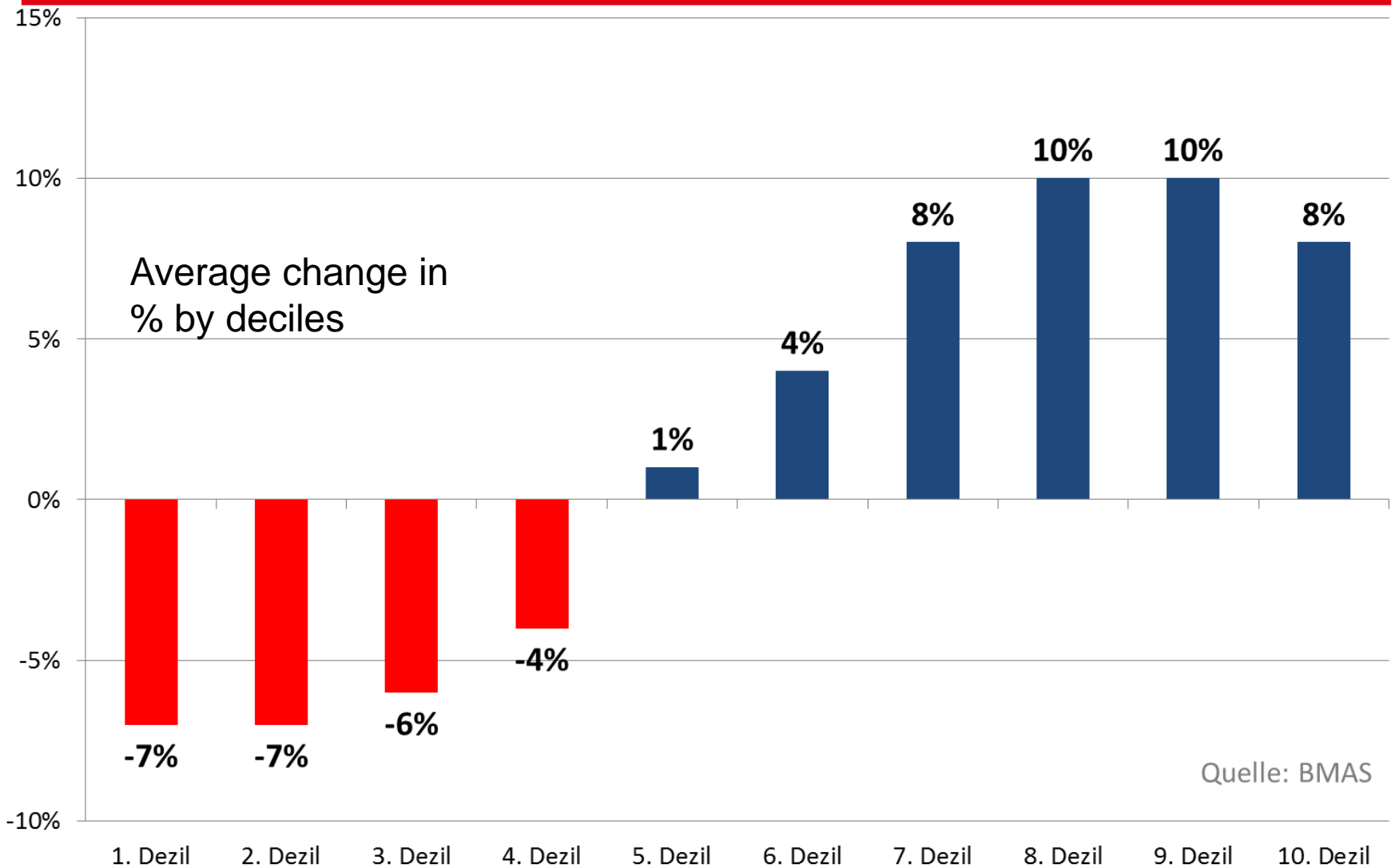
in % of workers covered by agreements

# CB coverage by pay quintils





# Change in real gross hourly pay, 1995-2015



# Trends in collective bargaining

---

1. **Continuous Decline of Collective Bargaining Coverage**
2. **Growing Differentiation between Sectors**
  - **Majority** of Workers covered in Manufacturing and Public Administration
  - **Minority** of Workers covered in many Private Services and Agriculture

# Trends in collective bargaining

---

## 3. Fragmentation

- Companies as **Production Networks**
- **Outsourcing** /Use of Contractors/Sub-Contractors
- **Crowdworking**
- Use of **Temporary Agency Work**

## 4. Decentralisation

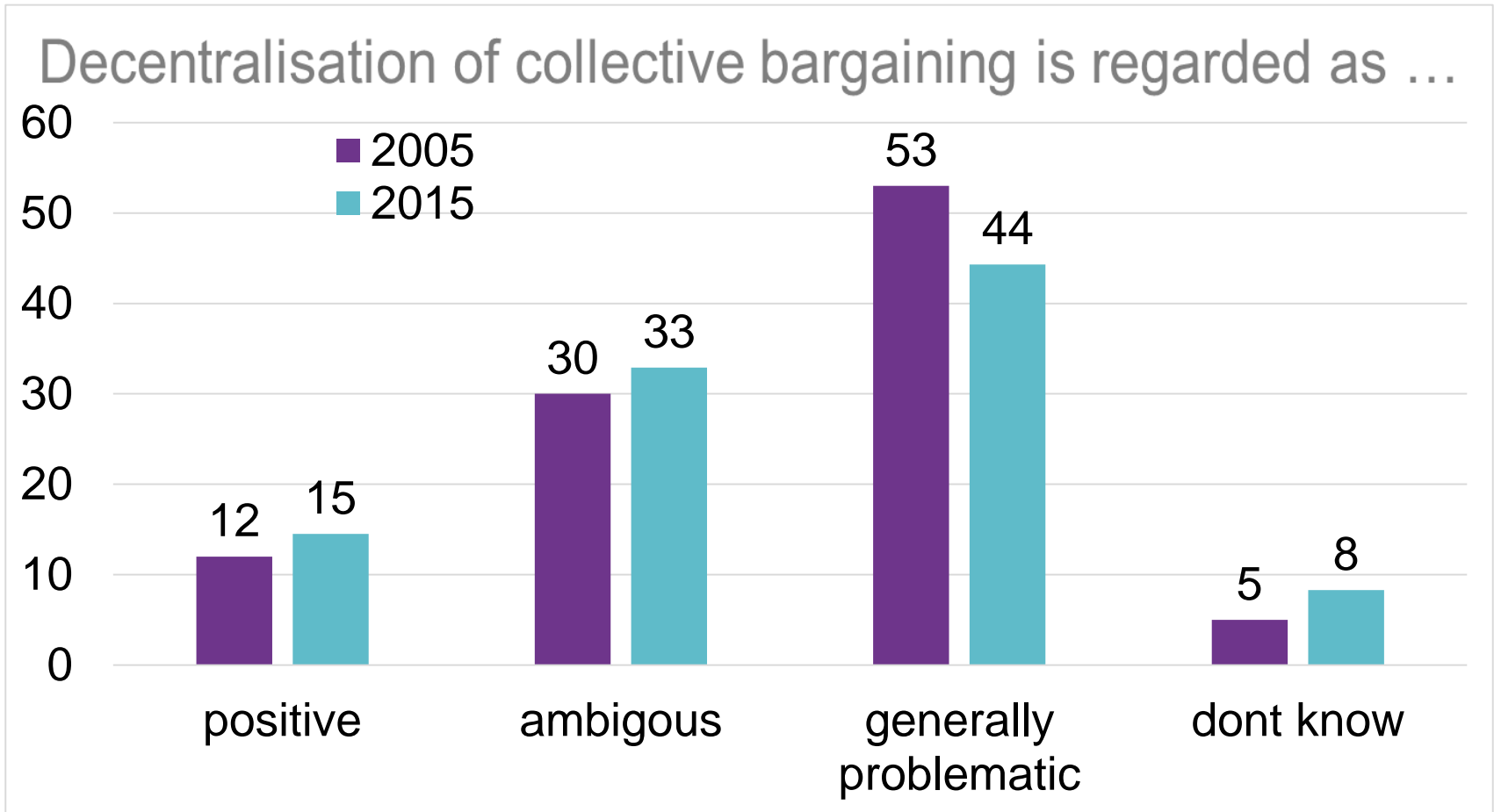
- **Derogations from sector agreements** via opening clauses etc.

# Use of Derogations



Source: WSI Works Council Survey

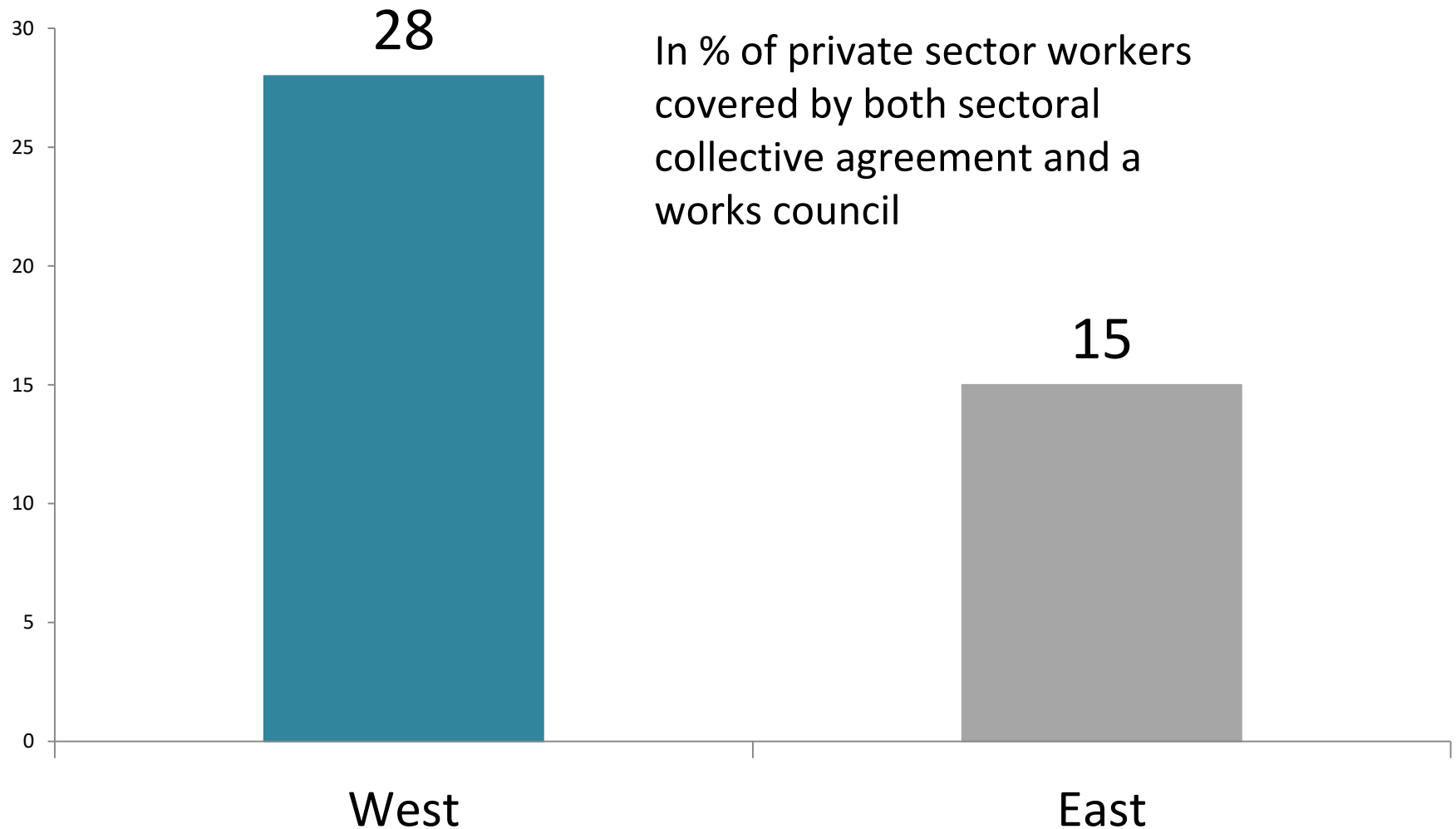
# View of works councillors



Source: WSI Works Council Survey

# Shrinking core of the German model

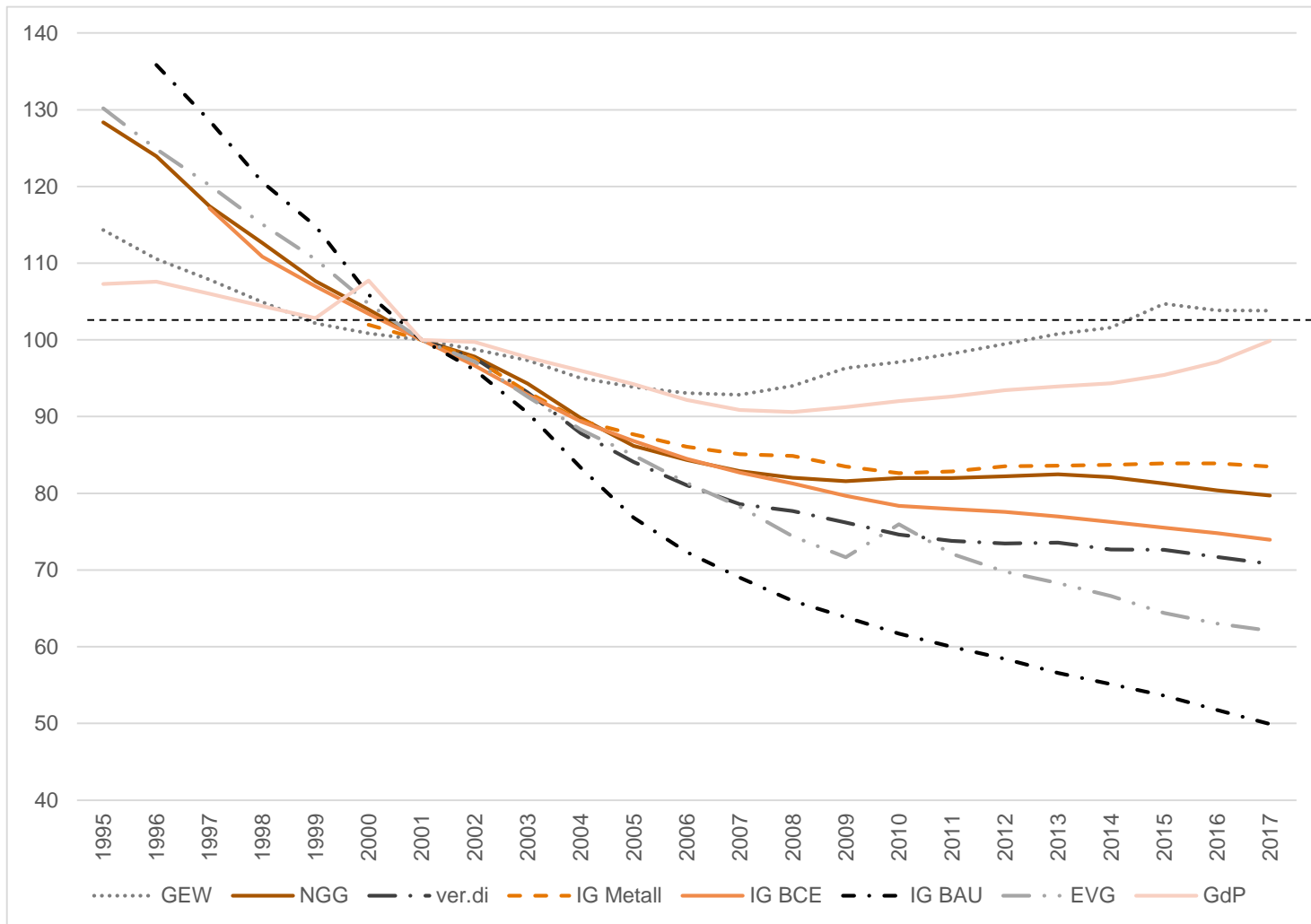
---



# Union membership and unionization rate

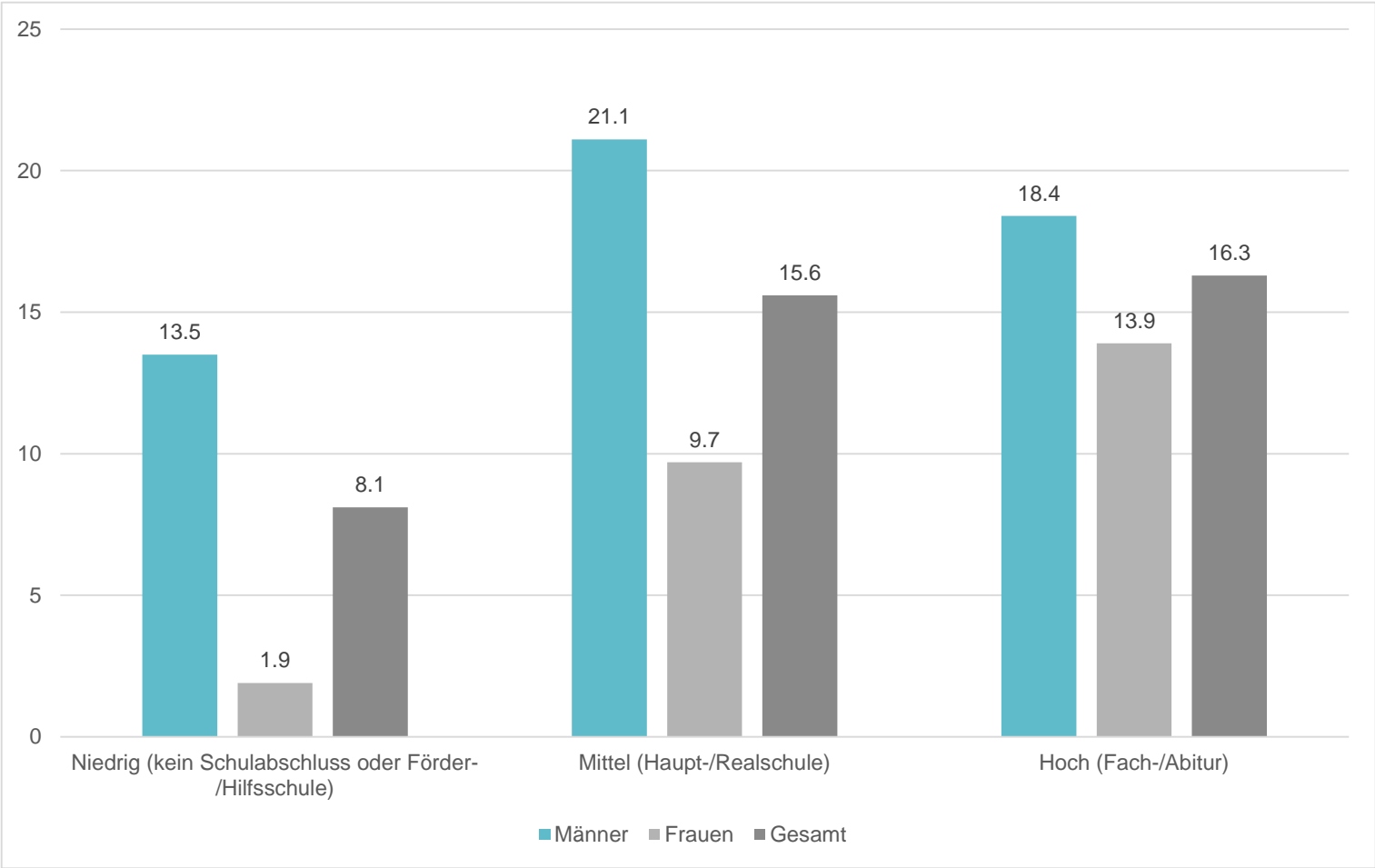


# Number of trade union members in the DGB

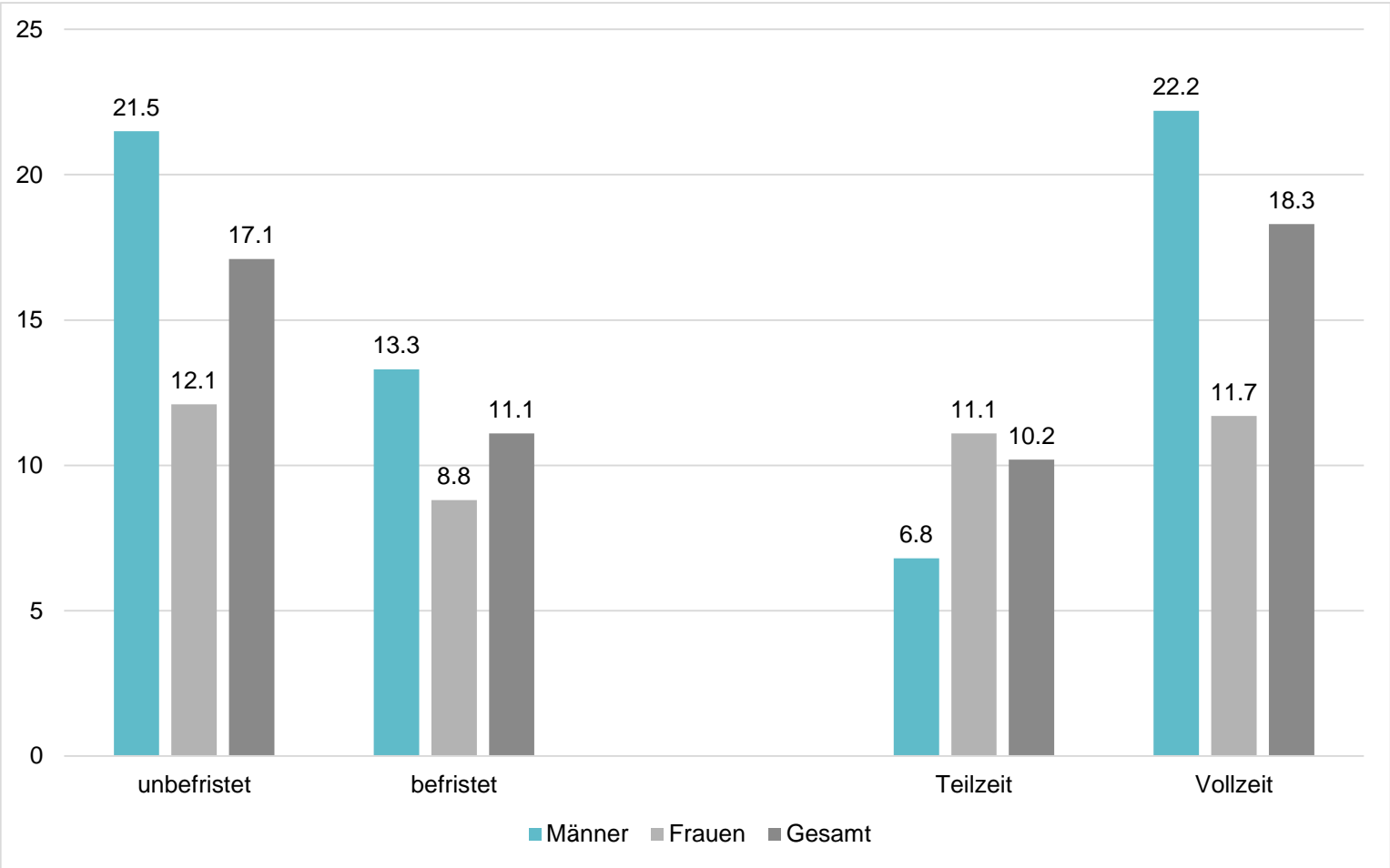




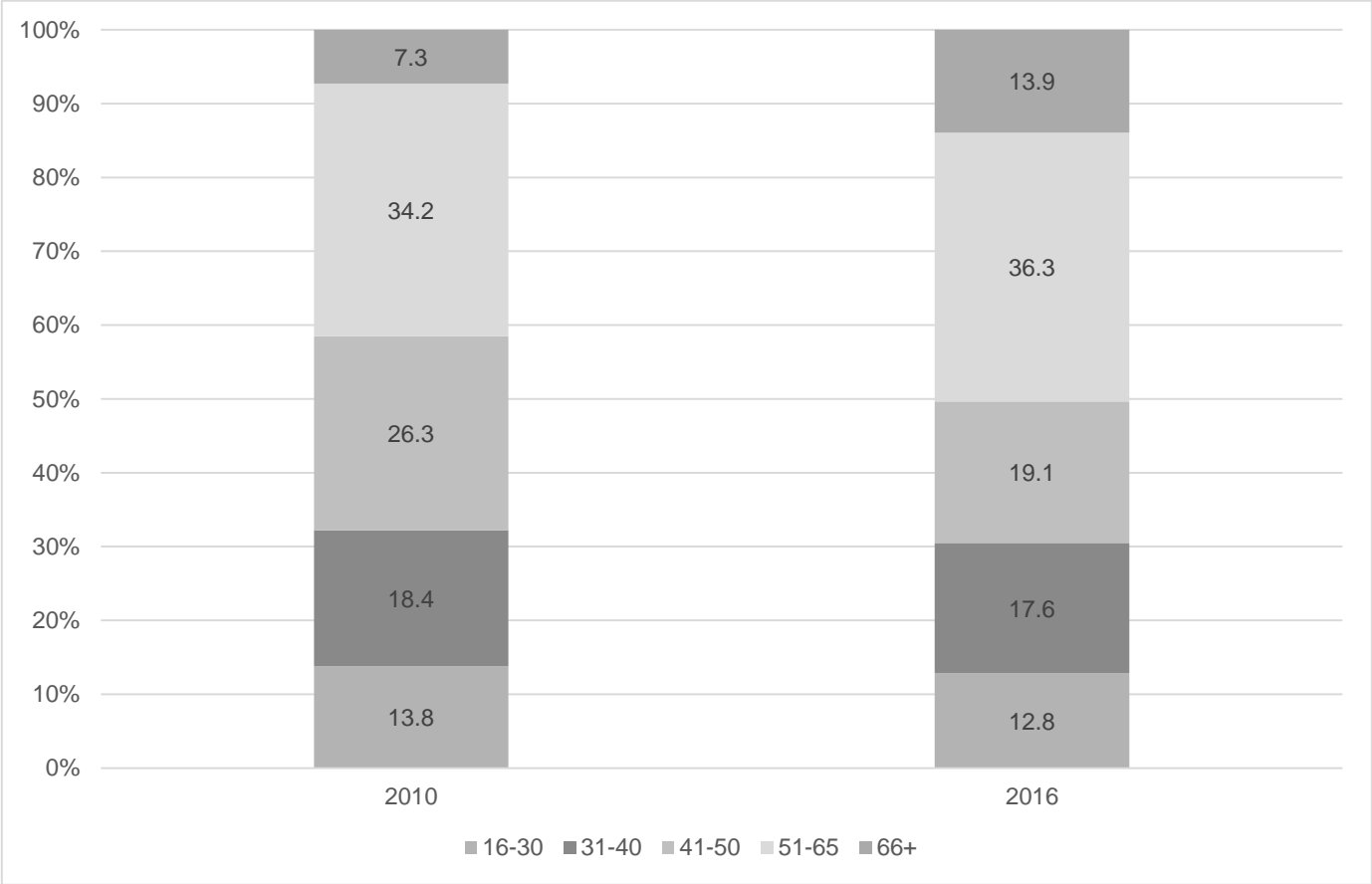
# Unionization by education



# Unionization by employment status



# Share of age cohorts of union members



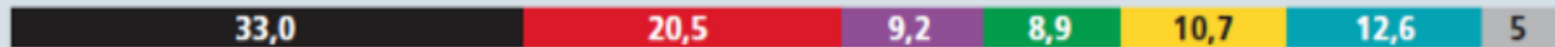
# Federal elections 2017

## GewerkschafterInnen: SPD vor CDU, AfD drittstärkste Kraft

Anteil der Zweitstimmen bei der Bundestagswahl (in Prozent)

■ CDU/CSU ■ SPD ■ Linke ■ Grüne ■ FDP ■ AfD ■ Andere

Alle WählerInnen:



Gewerkschaftsmitglieder\*:



\*Alle Arbeitnehmerorganisationen (neben DGB-Gewerkschaften auch z. B. Beamtenbund)

Quelle: Der Bundeswahlleiter / Forschungsgruppe Wahlen e.V., Mannheim

## Gewerkschaftsfrauen wählen Rot-Rot-Grün

Vergleich Zweitstimmen von Gewerkschaftsmitgliedern nach Geschlecht (in Prozent)

■ CDU/CSU ■ SPD ■ Linke ■ Grüne ■ FDP ■ AfD ■ Andere



Alle Arbeitnehmerorganisationen (neben DGB-Gewerkschaften auch z. B. Beamtenbund)

Quelle: Forschungsgruppe Wahlen e.V., Mannheim

DGB/einblick

# Trade union and the grand coalition 2013-17

---

1. Strengthening of Collective Bargaining law (2014)
2. Derogation from law through collective agreements: temporary work, minimum pay, working time law.
3. Collective bargaining unity law (Tarifeinheitgesetz) to avoid competition between unions in companies (highly controversial, adjustment needed)
4. Pension stability law
5. Temporary work and subcontracting

# Conclusion

---

## Shrinking core of German model regarding

- Collective bargaining coverage
- Bargaining centralization
- Trade union membership

## But ...

- Some unions have stabilized membership development
- Trend towards higher pay settlements
- Government support for collective bargaining stronger

---

# ANNEX

---

# Decentralisation of Collective Bargaining

---

## Traditional German Dual System:

- **Collective Bargaining:**  
Trade unions and employers' associations
- **Workplace Bargaining:**  
Works Council and Management

## 1960s/1970s:

- Decentralisation enforced **by trade unions**

## 1990s/2000s:

- Decentralisation enforced **by employers**



# Content and Procedures of Opening Clauses

---

## Content:

- **General clauses**
- **Specific clauses** on working time, basic pay, annual bonuses etc.
- **Quid pro quo:** Limited Employment Security; Promises for New Investments

## Procedures

- **Application** by company parties  
(management & works council)
- **Decision** (mostly) by sectoral parties  
trade unions and employers' associations

# Decentralisation of Collective Bargaining (90s)

---

## Employers:

- Growing criticism on the **“Inflexibility”** of the German system; demand for more possibilities for **derogations at company level**
- Growing Number of **“wild-cat cooperation”** at company level undermining agreed standards

## Trade Unions:

- **Originally:** Different strategies from fierce opposition to limited acceptance
- **In the meantime:** Broad Acquiescence; establishment of new procedural rules for controlled decentralisation; partly combined with new organising strategies

# Opening Clauses in Sectoral Agreements

---

## German Collective Agreement Act:

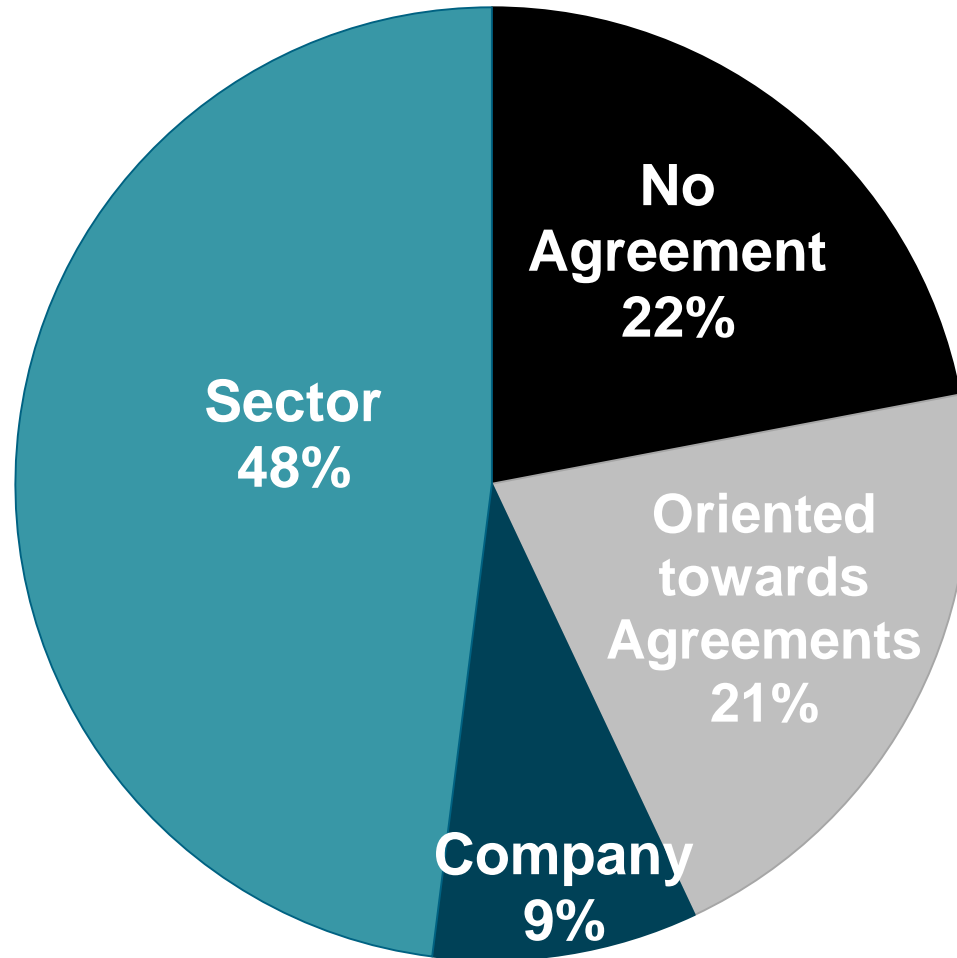
- Favourability principle, but ...
- parties at sector level can agree on “unfavourable” derogations at company level via opening-clauses

## Spreading:

- **1980s:** Working time reduction . Working time flexibility
- **1990s:** Started in East Germany – transferred to the West  
Started as “hardship-clauses” – extended to all kind of situations
- **Since the 2000s:** Opening clauses in almost all major sectoral agreements !

# Collective Bargaining Coverage 2015

---



in % of workers covered by agreements