

BARMETAL



With financial support of the EU
Project No. 101052331

IAQ

UNIVERSITÄT
DUISBURG
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Country Report Germany

Barmetal

Agenda mid-term workshop, Friday 1 December, 2023. Web-seminar

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Employment and Industrial Relations

- Strong employment growth from 40,903 to 45,596 between 2009 and 2022 in spite of low growth
- At 24% (2022), industry's share of GVA in Germany higher than in most other industrialised countries (USA 14%, FR 13.3%, IT 20.5%, UK 13.4%, Japan 23.4%)
- Metal industry largest manufacturing sector: share of gross value-added 15.2% in 2018. Industry employed 3.934 million employees in 2022.
- Metal-industry - predominantly qualified workforce: 66,4% skilled, 10,5% unskilled, 18.4% tertiary education
- Strong decrease of the coverage by collective agreements in DE and trade union density, less in the metal industry. But strong institutional power through co-determination

Indicators of collective bargaining policy in Germany and in the metal industry in per cent (2019 - 2022)

	Trade union density	Employer's density (by employees)	Coverage by CA's (by employees)	Bargaining levels
Metal-industry	approx. 40,0 ³	46,6% (62,9%) *	approx. 64,0 ³	Sectoral, company, plant
Overall economy	16,3 ¹	67,9 ¹	49,0 ²	Sectoral, company, plant

*With collective bargaining coverage in brackets including companies without collective bargaining coverage

The social dialogue in national discourses

- **Term Industry 4.0 invented by German industry to focus on a common goal**
- **Unions represented in the Industry 4.0 platform at the Federal Ministry of Economics, the Coal Commission, the National Hydrogen Council and the Committee for the Future Fund for the Automotive Industry.**
- **Broad agenda in these commissions: Training and retraining, technical projects, the socially responsible phase-out of lignite by 2038, financing of regional transformation networks with up to €200 million. Transformation networks have now been established in 27 automotive regions, 25 of which were initiated by IG Metall locals**
- **Codetermination in the modernisation of vocational training: The last reform of the metal occupations in 2018 included an update of the in-company learning content about Industry 4.0. (Company case studies in the evaluation show that the tasks of skilled workers are rarely characterised solely by metalworking, electrical engineering or information technology. The authors therefore propose the development of a new qualification profile focussing on industrial mechatronics).**
- **Paradigm shift in labour market policy from Work-First to Train-First: At the initiative of IG Metall, a training allowance in companies in which more than 20% of employees require further training due to the transformation in 2024.**

Role of collective bargaining

The protection of employees against the risks of structural change through collective bargaining has a long tradition

- In the 1960s and 1970s CA's on rationalisation protection, which gave priority to internal transfers and further training over redundancies
- Since the 1990`s following the Volkswagen example all regional collective agreements in the metal industry allow for temporary reductions in working hours to 30 hrs per week
- With the raising of the statutory retirement age since the early 2000's agreements on individual entitlement to an annual qualification discussion with the line manager, in which the level of qualification and necessary further training measures are recorded – evaluation shows low effects
- Between 2004 and 2020 dominantly use of opening clauses: in exchange for location or investment commitments and a waiver of compulsory redundancies longer working hrs and lower wages
- Since 2016 experimental trade union projects to get out of the defensive situation and to develop strategic competence: so-called future oriented agreements with more participation and not concession bargaining
- 2021 IG Metall succeeded in negotiating framework collective agreements in all districts for the agreement of company future oriented CA'

Future oriented collective agreements (FOCA)

- The first FOCA concluded for Volkswagen AG in 2009: protection against dismissal, two innovation funds, a high degree of working time flexibility, strong works council involvement, needs-based training, ambitious targets for innovative forms of work organisation.
- Since 2020 many new FOCA's on
 - withdrawal of the closure decision, preservation of the site (Faurecia)
 - Exclusion of compulsory redundancies
 - participation: involvement of IG Metall and works councils in the early involvement strategic and economic direction of the company e.g. Bosch Mobility and Schaeffler AG
 - collective qualification agreements for planned reorganisations (Atos, Trilux)
 - differentiation regulations in favour of IG Metall members
 - additional resources for IG Metall to train its shop stewards and informing its members

Preliminary findings

- **Strong decline of coverage by CA's from 85% in 1990 to 49% in 2022 weakened social dialogue in DE**
- **Social dialogue more stable in the metal industry (higher trade union density and coverage by CA's, strong works councils)**
- **Unions represented in national platforms on DAD with clear impact (financing of 25 regional transformation networks)**
- **Codetermination in the modernisation of vocational training – high impact because of the high share of skilled workers**
- **Unions driver in the paradigm shift in labour market policy from Work-First to Train First**
- **Long tradition of CA's to protect employees in structural change**
- **Increasing importance of retraining because of the expiry of early retirement options**
- **After a period of concession bargaining IG Metall is now trying proactively help shape DAD in companies with future oriented collective agreements (FOCA)**
- **Strong works councils will help to implement these FOCA's**
- **But no bargaining in many SME's**