

LABOUR AND SOCIAL JUSTICE

TRADE UNIONS IN GERMANY

Challenges in a Time of Transition

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The general conditions for the trade unions have improved after the crisis, the economy has recovered and unemployment has fallen. However, many challenges remain. Collective bargaining coverage is declining and so is the prevalence of works councils.



The migration caused by the global refugee crisis touches on the question of trade union solidarity. The workplace has not escaped the shift to the far-right in society.



The precariousness of employment, the transformation of the world of work through digitalisation and the associated social issues will continue to be key concerns for the trade unions in the years ahead.

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INTRODUCTION

This text continues the series of presentations on the structure and policy of the German trade unions that we started in 2012. The present revised and expanded version of this text provides an introduction to the structure of trade union policy, workplace representation of interests and co-determination, as well as to central issues of trade union politics. It also focuses on the further development of new concepts of organising that have emerged since 2012, as well as on the social and political changes in the way industrial conflict and strikes are played out, which were first observed in the industrial disputes of 2015. Compared with the 2012 and 2014 versions new topics have also been added that take account of the political and economic challenges not yet entirely apparent in 2014. This applies, for example, to the significance of new migration and the emergence of racist and right-wing tendencies in the world of work and at the workplace. Our study also deals with new directions in collective bargaining policy, such as the questions of working hours and work-life balance. Finally, the present text also describes somewhat more detailed problems and trade union positions in connection with the technical development of productive forces (digitalisation and »Industry 4.0«), without claiming to be exhaustive in its analysis, given the space limitations. The study finishes with a summary of what we think are the major strategic questions German unions are facing.

1

POLITICAL AND ECONOMIC CIRCUMSTANCES

THE POLITICAL SITUATION IN AUTUMN 2018

In the national elections of 24 September 2017, *Alternative für Deutschland* (Alternative for Germany, AfD) became the first party from the far-right fringes of the political spectrum to enter the German parliament (*Bundestag*) since the legislature of 1949–1953. With 12.6 per cent of the votes, the AfD became the third-largest parliamentary force behind the joint conservative parliamentary group of *Christlich Demokratische Union* (CDU – Christian Democratic Union) and *Christlich Soziale Union* (CSU – Christian Social Union, CSU), and the *Sozialdemokratische Partei Deutschlands* (SPD – Social-Democratic Party of Germany). Together with the liberal *Freie Demokratische Partei* (Free Democratic Party, FDP), the Left Party (DIE.LINKE) and the Greens, the German parliament now has six parliamentary groups.

The shift to the right was reinforced in the 2018 regional parliamentary elections in Bavaria and Hesse. The AfD entered the regional parliament (*Landtag*) in both federal states, with a double-digit result in each case, which means that it is now represented in all federal state parliaments across Germany. Political commentators often attribute this electoral shift to the right simply to the ongoing debate about migration. However, other factors have also contributed to the crisis of the two formerly large, so-called 'catch-all-parties', SPD and CDU/CSU, which are reflected in the emergence of further political debates about

the housing crisis, the transport policy or the crisis of representation in general, to name but a few.

What also attracted a great deal of attention in the elections in Bavaria and Hesse was the massive increase in the proportion of Green votes. In both elections, the Greens were able to attract votes away from the SPD and the CDU/CSU and became the second-largest force. The FDP entered the *Landtag* in both federal states. For the Left Party the outcome was mixed. While DIE.LINKE confirmed its presence in the parliament of Hesse, it failed once more to reach the threshold of five per cent of votes in Bavaria, missing its entry into parliament.

These unstable parliamentary configurations which are currently emerging are causing problems also for the trade unions in that the pro-trade union positions in the various parliaments have been further marginalised and anti-trade union positions have become stronger. Until the arrival of the AfD the FDP was the party with the most distant relationship to the trade unions. With the AfD entering the *Bundestag* in 2017, there is now a party that openly acts against trade unions.¹ This applies both to the neoliberal and the populist-social wing of the party. At the national level, SPD and LINKE, whose manifestos are closest to the trade unions, attracted not even 30 per cent of the votes in the 2017 election, and in the regional elections of 2018 their joint

¹ For the consequences of this trend on trade union policy, see also 3.4.

Table 1

Election results at the *Bundestag* elections in 2017 & 2013 in total and in terms of the voting behaviour of trade union members

	CDU/CSU	SPD	LINKE	Greens	FDP	AfD
2017 election result	33.0	20.5	9.2	8.9	10.7	12.6
<i>Trade union members in 2017</i>	24	29	12	8	7	15
2013 election result	41.5	25.7	8.6	8.4	4.8	4.7
<i>Trade union members in 2013</i>	33	36	11	8	3	5

Note: Second-vote results of 2017, 2013 *Bundestag* elections; trade union members (all trade unions) based on exit polls.

Source: Federal Returning Officer (Bundeswahlleiter); voting behaviour of trade union members: DGB einblick, various years, based on exit polls by the research institute *Forschungsgruppe Wahlen* (Institute for Electoral Research).

share of the votes was even smaller. Following the national election of September 2017, a potential alternative to the continuation of the grand coalition of Conservatives and Social Democrats manifested itself in the form of a coalition government comprised of CDU/CSU, FDP and the Greens – also referred to as the ›Jamaica‹ coalition, a development which worried the leaders of the trade unions affiliated to the German Confederation of Trade Unions (Deutscher Gewerkschaftsbund, DGB) because both FDP and Greens were considered to be parties with no close affiliation to the unions. Therefore, when the negotiations for a Jamaica coalition finally failed, the DGB leadership actively supported a continuation of the Grand Coalition (Frese 2018). The prospects for secure political access to a Ministry of Labour and Social Security led by the SPD were just as decisive as the hope to continue an industrial policy involving the trade unions, as the Grand Coalition had practised since 2013 (see Kern 2018). The coalition agreement between CDU/CSU and SPD of February 2018 was evaluated by the DGB as »good on the whole« (einblick 2018). The intention of the coalition to return to parity in financing health insurance was welcomed, as was the agreement to stabilise the pension level in the long term. The DGB criticised the idea of maintaining the austerity policy of recent years, which was explicitly also backed by the SPD.

In the exit polls, 14 per cent of voters in the September 2017 elections indicated that they belonged to a trade un-

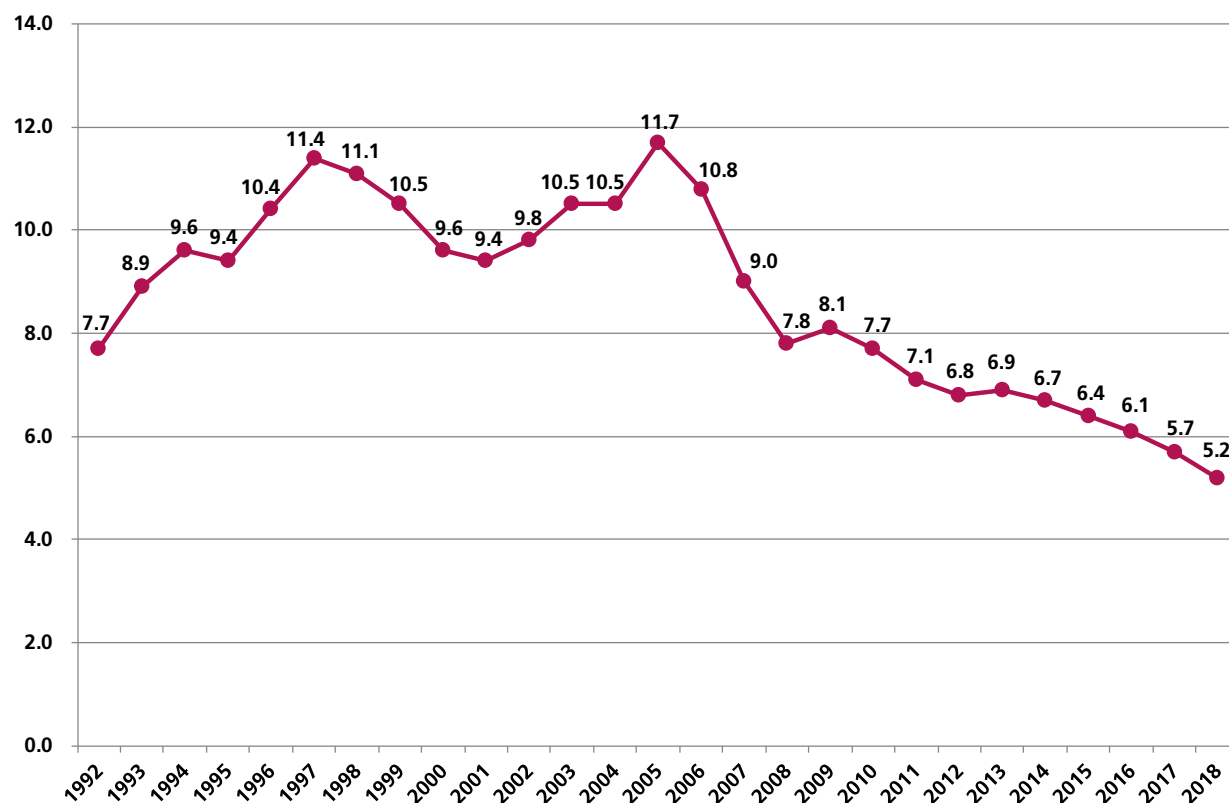
ion.² Among trade union members, the SPD remained the strongest party at 29 per cent, but the downturn compared with 1998, when 56 per cent of all trade union members supported the SPD, is a clear sign of the scale of the party’s demise. Even if you add the votes for the Left Party, the picture is only slightly improved as DIE.LINKE managed to pick up no more than a small portion of the votes that the SPD had lost. What is alarming here is the strong support for the AfD even among trade union members, with an above-average share of 15 per cent of their votes going to this party. It has been apparent for some time that trade union membership is not something which in itself makes you unsusceptible to the allure of the Far Right, and the *Landtag* elections before and after the *Bundestag* election of 2017 have only confirmed this.

ECONOMIC SITUATION

After the financial crisis of 2008/2009, the German economy has made a lasting recovery and a slump in economic growth of such magnitude as in 2009 has not been seen again since then. The German economy has shown contin-

² The *Forschungsgruppe Wahlen* (FGW – Institute for Electoral Research), a think tank from Mannheim, regularly conducts extensive exit polls and analyses voting behaviour among specific groups of voters on this basis.

Figure 1
Unemployment rate in Germany 1992–2018



Source: Federal Employment Agency (BA).

uous positive growth since 2010. Unlike in many other EU countries, the German gross domestic product (GDP) in 2018 grew for the ninth year in a row (European Commission 2018). The figures for the labour market seem to reflect this growth. Although the annual average unemployment recorded by the Federal Employment Agency (Bundesagentur für Arbeit, BA) in 2017 was still as high as 2.5 million, at least it represented a decline by 900,000 compared with the crisis year of 2009. At 5.7 per cent, the unemployment rate in 2017 was at its lowest level since 1991. Recorded unemployment has almost halved since its peak in 2005 (see Fig. 1). Within the European Union (EU 28), in 2017, Germany recorded half as many unemployed people as the EU average, and it had the second-lowest unemployment rate overall (Lübker/Schulten 2018, 403). In summer 2018, the number of those in formal employment and the employment rate rose to a record high. The number of those in employment subject to social security contributions reached around 32.9 million in June 2018, its highest ever level since German reunification. Compared with the crisis year of 2009, this meant an increase of 4.7 million employees. On the other hand, the number of exclusively marginally paid employees (›mini-jobs‹) fell between 2009 and 2017 by approx. 400,000 to 4.9 million in total.³

Even considering that the statistics cover underemployment only to some extent and include only those individuals who actually register themselves as unemployed, it should be noted that Germany's unemployment rate was the second-lowest in the EU in 2018, after that of the Czech Republic (Eurostat 2018). However, paid employment as such is not yet a guarantee of prosperity. According to the Federal Employment Agency, some 1.2 million people in employment in March 2018 received a welfare benefit (›*Arbeitslosengeld 2*‹ also called ›*Hartz IV*‹) in addition to their income.⁴ The percentage of low-wage sector in Germany, defined as the proportion of employees earning less than two thirds of the average gross hourly wage, was among the highest in the EU (Eurostat 2016). At 22.5 per cent in 2014, it was about 2.5 times higher than in Denmark or France. Looking at wealth, which is an important indicator of personal prosperity alongside income, conservative estimates show that in 2014 the wealthiest 10 per cent of households together owned about 60 per cent of all assets, while the lower 20 per cent owned nothing (Grabka/Westermeier 2014). Despite the good economic situation in 2010, both income and assets have continued to diverge (Spannagel 2018). This problem is exacerbated by the fact that prices for residential rents are exploding, especially in large cities and conurbations. The associated widespread housing shortage is also affecting the middle

class, but it is people in districts with high poverty rates who are hardest hit. Welfare associations and trade unions regularly warn of the consequences of this now hardly »new« poverty for the state of individual participation and political democracy (e. g. Der Paritätische 2017).

Precarious employment contracts also contribute to the polarisation of income. Temporary agency work has increased rapidly since its deregulation in 2002, reaching for the time being a historic high of 1.03 million agency workers in 2017. Over 90 per cent of temporary workers are subject to social security contributions. Overall, the share of temporary agency employment is only just under 3 per cent of all employees. What this figure does not reveal, however, is the very uneven distribution of temporary agency work. In manufacturing companies it is not uncommon that 10–20 per cent of the workforce are temporary workers, and in individual cases, even the majority of the workforce are hired out from temporary work agencies. What is more, in 2017, about 3.2 million employed people had a fixed-term contract (Hohendammer 2018), which means that fixed-term contracts also reached a new high in that year, as they accounted for 8.3 per cent of all employment contracts. Fixed-term contracts are particularly popular where new hires are concerned. The proportion of fixed-term contracts among all new hires in 2017 was 44 per cent, a figure that has remained relatively constant since the mid-2000s.

In summary, the distribution report of the Institute of Economic and Social Research (Wirtschafts- und Sozialwissenschaftliches Institut, WSI) for 2018 concluded that Germany is still characterised by great social inequality (Spannagel 2018), with persistent poverty on one side of the divide and consolidated wealth on the other.

³ So-called mini-jobs are largely exempt from social security contributions and have an income ceiling of €450 per month. As the national minimum wage also applies to mini-jobbers there is an upper limit of monthly working hours. In 2009, the ceiling for mini-jobs was €400 per month, with no national minimum wage at the time and thus no limit on monthly working hours.

⁴ Federal Employment Agency, Statistics, *Erwerbsfähige Leistungsberechtigte (ELB) am Arbeitsmarkt* (Employable Benefit Claimants on the Employment Market), report dated June 2018.

2

THE TRADE UNION LANDSCAPE

The German federal constitution (Grundgesetz) guarantees freedom of association. Employees have the right to join trade unions, and nobody may be prevented from doing so, while, at the same time, membership is voluntary. Unlike in Belgium and several Scandinavian countries, German trade unions are not involved in payment of unemployment benefit or state pension payments.

German industrial relations are characterised by a dual system of interest representation, where trade unions and employers are solely responsible for collective bargaining, and works councils constitute the main bodies of employee representation at workplace level. Works councils are elected by all the employees, and are formally independent of the trade unions.⁵ The link between trade unions and works councils results from the fact that the vast majority of members of works councils are also members of a trade union (Greifenstein et al. 2017) and often also involved in the decision-making process of their respective trade union regarding union and collective bargaining policies.

At the end of 2018, in Germany, some 7.8 million people were represented by a trade union. These members are essentially spread out over three competing trade union confederations and a number of individual trade unions not connected with any union confederation.⁶ The largest union confederation in the Federal Republic is the DGB founded in 1949. 2018, its eight member trade unions represented just under 6 million members – three quarters of all trade union members throughout Germany. The DGB is followed in second place by the *dbb beamtenbund und tarifunion* (dbb Civil Service Federation and Collective Bargaining Association) – often abbreviated in the public sphere to *Beamtenbund* (Civil Service Federation, dbb) – with 1.3 million members. The smallest confederation is the *Christliche Gewerkschaftsbund Deutschlands* (CGB – Christian Trade Union Confederation of Germany), which indicated in 2017 that it had 270,000 mem-

bers. Those unions which were not affiliated to any of the three confederations had a total of around 280,000 members in 2018, according to WSI estimates.

In Germany, after 1945, the principle of a unitary non-partisan trade union prevailed, since the political division of the trade union movement was seen as one of the reasons why the National Socialists managed to crush the movement in 1933 with relatively little opposition. However, with the escalation of the Cold War, the union movement split once more into a western and eastern German confederation. The DGB and its affiliates and also the *dbb* still consider themselves to be non-partisan confederations and receive no funding from any political party. Historically, however, the individual trade unions of the DGB have been particularly close to the SPD, a relationship which fell into crisis in 2003. The social policy of the red-green coalition government under Chancellor Gerhard Schröder, which introduced deep cuts in unemployment benefits from 2003 while also actively promoting the expansion of the low-wage sector, led to a significant alienation between the DGB trade unions and the SPD. One result of this crisis was the formation of a separate political party, founded in June 2007 and named *Die Linke*, in which a whole series of former SPD members involved in the trade union movement particularly from *ver.di* and *IG Metall* movement became active. The increase in the pension age to 67 by CDU/CSU and SPD in 2007 further deepened the rift. During the management of the economic crisis, in 2008/2009, there was a certain rapprochement between the heads of the SPD and the DGB. This continued after 2013 and has found its most significant expression in the close cooperation of DGB and the SPD-led Ministry for Employment since 2013. However, this rapprochement is not noticeably reflected in the broader trade union membership, as the results of the 2017 federal elections have shown. The chair of the DGB, Reiner Hoffman, who was re-elected in 2018, is member of the SPD, as are the chairs of *IG BCE* and *IG Metall*, Michael Vassiliadis and Jörg Hoffmann. The head of *ver.di*, Frank Bsirske, is member of the Greens. He will retire in 2019.

THE DGB AND ITS AFFILIATED TRADE UNIONS

The principle of one company – one union applies within the DGB. The eight affiliated unions of the DGB regard

⁵ In the public sector, bodies known as staff councils are elected, whose work is based on a different but similar legal principle.

⁶ The *United Leaders Association Vereinigung der deutschen Führungskräfteverbände* (ULA) is a mixed association, with only some of its affiliates being trade unions. The largest union in the ULA is the *Verband angestellter Akademiker und leitender Angestellter der chemischen Industrie* (VAA – Association of Employed Academics and Senior Executives of the Chemical Industry), which has 30,000 members according to their own figures.

Table 2
Organisational areas of individual DGB trade unions

Trade Union	Organisational areas	Members 2018
Industriegewerkschaft Metall (German Metalworkers' Union; IG Metall)	Metal and electronics industry, steel industry, textiles and clothing, textile cleaning, wood processing, auto mechanics, electricians, carpentry, plumbing, etc. facility management, contract logistics	2,271,000
Vereinte Dienstleistungsgewerkschaft (United Services Union, ver.di)	Public service, trade, banks and insurance companies, health, care professionals, social and education services, transport, contract logistics, ports, media, printing industry, surveillance and security services, real estate industry, fire brigade etc.	1,969,000
Industriegewerkschaft Bergbau, Chemie, Energie (Mining, Chemicals and Energy Industrial Union, IG BCE)	Chemical industry, pharmaceutical industry, glass industry, mining, energy supply companies etc.	632,000
Gewerkschaft Erziehung und Wissenschaft (Union of Education and Science GEW)	School teachers, higher education, children's education, further education	279,000
Industriegewerkschaft Bauen-Agrar-Umwelt (Trade Union for Building, Forestry, Agriculture and the Environment; IG BAU)	Construction industry, industrial cleaning, facility management, horticulture, agriculture and forestry.	247,000
Gewerkschaft Nahrung-Genuss-Gaststätten (Food, Beverages & Catering Union, NGG)	Food industry, food processing, drinks industry, mills, hotel and catering, tobacco industry.	198,000
Gewerkschaft der Polizei (Trade Union of the Police, GdP)	Police service	191,000
Eisenbahn- und Verkehrsgewerkschaft (Rail and Transport Union, EVG)	Railways, rail transport	187,000

Source: DGB; own compilation.

themselves as industrial unions which organise all employees within their organising territory regardless of status, occupational category or profession. However, mergers and amalgamations have led to the emergence of large multi-sector trade unions. The restructuring of sectors and businesses, overlapping responsibilities (such as, for example, in the education sector, energy supply or logistics) and the emergence of new industries (IT industry, solar and wind power) have led to demarcation conflicts within the DGB. As a result, a series of inter-trade union agreements have been concluded to defuse these tensions. This made it possible, for example, to de-escalate a particularly fierce conflict between IG Metall and ver.di over responsibility for operations in contract logistics in 2016 and to come to mutually acceptable arrangements.

The DGB trade unions are financed exclusively by union membership fees and to a minor degree by income from their assets. They do not obtain any state funding or public subsidies. The entire structure, all administrative employees and all officials must be paid for by the trade unions themselves. The monthly subscription for most DGB trade unions is 1 per cent of gross monthly income. Unemployed members, pensioners and apprentices pay less. As a rule, subscriptions are paid by direct debit and automatically adjusted in line with the collectively agreed wage increases. For this reason, particularly in years with relatively high wage increases, the annual subscription income of unions may remain stable or even increase even if there is a moderate decline in membership.

The proportion of women within the DGB trade unions has remained relatively stable over the years. In 2018, 34 per cent of all 5,975,000 members of the DGB trade unions were women. This represents a slight increase of two percentage points compared with 2008. In the individual trade unions, the proportion of women amongst members is influenced by the employee structure of the respective organising territories. By far the largest share of women in 2018 was held by the GEW with around 72 per cent, followed by ver.di with 52 per cent and the NGG with 42 per cent. All three trade unions organise sectors with a relatively high proportion of female employees. Significantly fewer female members are represented by IG Metall with 18 per cent and EVG and IG BCE with around 22 per cent each. In GdP (25 per cent) and IG BAU (27 per cent) about a quarter of the members are women.

The DGB trade unions are clearly under-represented among the younger employees. At the end of 2017, the »youth share«, which includes all members up to the age of 27 in the DGB trade unions, was 8.5 per cent. At the same time, however, the share of this age group in the total number of employees subject to social security contributions was almost twice as high, at 16.6 per cent. As is the case with female employees, the share of younger employees also varies considerably between the individual trade unions. At the end of 2017, the police union had by far the highest percentage of young people, at almost 20 per cent. The industrial trade unions in the chemical and metal industries are, with about 10 per cent each, in second and third place.

At 5.5 per cent, ver.di has a significantly lower proportion of younger members. The GEW is at the bottom of the league, with only around 4 per cent. A structural problem in organising younger employees is that the number of apprentices has fallen from 1.68 million in 2001 to 1.32 million in 2017 (destatis 2018). Since apprentices receive most of their training on the job, it is relatively easy to approach and ask them about potentially joining a trade union, especially in workplaces with works council representatives who are committed trade union members.

Unlike in some other countries, trade union membership does not end automatically when a person changes jobs, becomes unemployed or reaches retirement age. When moving from one union to another within the DGB, the accrued membership periods are transferred. About 20 per cent of members of DGB trade unions are pensioners, and about 5 per cent are unemployed. The proportion of those employed varies between individual trade unions; not all of them publish their figures for this. IG Metall and ver.di are an exception to this; at ver.di the proportion of members who were employed in 2017 was 76 per cent, while at IG Metall it was around 70 per cent.

In 2005, the historical distinction between blue-collar workers (*Arbeiter*) and white-collar salaried staff (*Angestellte*) in employment and social security law was abol-

ished. 2014 is the last year for which membership data by occupational status is still available. In the overall economy at the time, more than two thirds (68 per cent) of all dependent employees were white-collar salaried staff, 21 per cent were blue-collar workers, 6 per cent were public civil servants and 4 per cent apprentices. At IG BCE, on the other hand, the proportion of blue-collar workers among members in 2014 was just under 75 per cent and at IG Metall it was as high as 80 per cent. The opposite was true for ver.di, where the vast majority of members were white-collar workers, only 30 per cent were blue-collar workers, and a smaller part were public civil servants. To some degree, these differences in the composition of the membership reflect the specific occupational structures of the organising territories. But the disproportionately small share of white-collar employees amongst the IG BCE and IG Metall membership also reflects the unions' historical roots in the production areas of large-scale industry. Both IG BCE and IG Metall make great efforts to gain a better presence in the white-collar dominated administrative, research and IT departments within their industries.

Around 420,000 members of DGB trade unions (principally ver.di, GEW, GdP and EVG) are public civil servants (*Beamte*). Public civil servants have a special status in the Federal Republic of Germany, which is granted by the state for life and protects against dismissal except in the case of criminal mis-

Table 3
Affiliates of the dbb (a selection)

Trade union	Organisational areas	Members
Verband Bildung und Erziehung (Education and Training Association, VBE)	Teachers for preschool, primary, secondary stages I & II, and in the area of teacher training	164,000*
Deutsche Polizeigewerkschaft (German Police UnionDPoIG)	Police service	94,000*
Komba Gewerkschaft (komba union, komba)	Local authority employees, privatised local authority service companies	90,000*
Deutscher Philologenverband (German Philologists Association, DPhV)	Teachers at upper secondary schools, comprehensive schools and in higher education	90,000*
Deutsche Steuer-Gewerkschaft (German Tax Trade Union, DStG)	Tax authority, tax offices	70,000*
Gewerkschaft der Sozialversicherung (Trade Union for Social Security, GdS)	Social security (health, pension, accident and unemployment insurance)	42,000**
Gewerkschaft Deutscher Lokomotivführer (German Train Drivers' Union, GDL)	Railways	34,000*
Kommunikationsgewerkschaft DPV (Communications Trade Union DPV, DPVKOM)	Deutsche Post AG, Deutsche Telekom AG, Deutsche Postbank AG	27,000**

Sources: *Websites of the trade unions [30 July 2018]; **Oeckl, *Handbuch des öffentlichen Lebens*, Online-Ausgabe (Oeckl, Manual of Public Life, Online Edition) (www.oeckl.de) [30 July 2018].

conduct. Civil servants enjoy freedom of association, but their salaries and working hours are determined by law, which is why there is no collective bargaining for them. Due to their special status, they also have no right to strike, according to the current legal position, expressly confirmed by the Federal Constitutional Court in June 2018 (Bundesverfassungsgericht 2018). According to the latest data, in 2016, there were around 1.7 million public civil servants (including judges) employed in public service.

THE CIVIL SERVICE FEDERATION AND OTHER TRADE UNIONS

The second largest union confederation is the Civil Service Federation (dbb). Its 40 affiliated industrial and professional trade unions predominantly organise civil servants, but also employees covered by collective agreements at all levels of public service and sometimes also in the private service sector. At the end of 2018, all dbb affiliated trade unions had a combined total of 1,317,000 members, 32 per cent of whom were women. The proportion of young members aged 16 to 30 in the dbb unions was approximately 11 per cent (~150,000 members). There are no figures on the proportion of pensioners and unemployed members. With 925,000 members, the dbb is by far the largest confederation among public civil servants. Unlike the DGB trade unions, the Civil Service Federation has consistently expressed its opposition to the right of civil servants to strike.

Larger dbb affiliates can be found in the school and education sectors, in security services and in local authority and tax administration. The collective bargaining interests of the 394,000 members of the dbb who are not civil servants are represented by the *dbb tarifunion* (dbb collective bargaining association). In public service, the *dbb tarifunion* forms a joint bargaining association with ver.di and other DGB trade unions. In other areas, however, it is in competition with the DGB trade unions. A particular role is played by the *Gewerkschaft Deutscher Lokomotivführer* (GDL – German Train Drivers' Union), which organises train drivers and some of the train personnel. They are in fierce competition with the EVG, the much larger rail transport trade union. The dbb also regards itself as non-partisan and independent, but traditionally it has good relations with the CDU and CSU. Ulrich Silberbach, elected as the chair of the dbb in 2017, is a CDU member.

The third and by far the smallest union confederation is the *Christliche Gewerkschaftsbund Deutschlands* (CGB – Christian Trade Union Confederation of Germany). Unlike the other two confederations, the CGB sees itself as a Christian trade union with a distinct political orientation. 13 individual trade unions come under this confederation, but only some of them are independently active in collective bargaining. According to its own figures, the CGB had 270,000 members in 2017. The proportion of women was just under 24 per cent in 2016. The confederation does not provide any figures on its individual trade unions. The two largest

individual trade unions are presumably the *Christliche Gewerkschaft Metall* (CGM – Christian Trade Union Metal) and the *DHV – Die Berufsgewerkschaft* (Professional Trade Union). While the CGM reportedly has 87,000 members,⁷ the DHV stated on its website in 2018 that it had around 73,000 members. However, the number of members of these trade unions has been seriously questioned. There is evidence suggesting that the DHV may never have had more than 32,000 members and the CGM may have even less than 20,000 members (Müller/Wassermann 2015). Therefore, the information provided by the CGB regarding its total number of members should also be taken with a pinch of salt.

The CGB trade unions – unlike, for example, the strong Christian trade unions in Belgium – have no real capacity to strike in any sector. They have been attractive to employers in the past primarily because they signed collective agreements that undercut the pay and working conditions negotiated by the DGB trade unions. In the meantime, the CGB trade unions have tried to distance themselves somewhat from the image of a trade union that undercuts others.⁸

The CGB also sees itself as politically non-partisan, but, like the dbb, it is close to the CDU/CSU. It is headed by the former *Bundestag* representative of the CSU, Matthäus Strelbl. The majority of union members who consider themselves close to the CDU and the CSU, however, are not in the CGB, but in one of the DGB trade unions.

The DGB trade unions have been at loggerheads with the CGB as a rival organisation. In several cases, DGB trade unions have taken successful court action to deny individual CGB trade unions the right to participate in collective bargaining, for example in the area of temporary agency work. The withdrawal of the right to participate in collective bargaining means that all collective agreements concluded by employers with such trade unions or bargaining associations become void.

PROFESSIONAL TRADE UNIONS

Finally, there is another set of trade unions which do not belong to any of the three confederations. Their total number of members was estimated at 280,000 in 2017 by WSI. Most but not all of these trade unions conclude collective agreements on their own. What they have in common is that they organise specific professional or status groups.

By far the largest of these trade unions is the *Marburger Bund – Verband der angestellten und beamteten Ärztin-*

⁷ Oeckl, *Handbuch des öffentlichen Lebens* (Manual of Public Life), online edition, www.oeckl.de, based on trade union's information [31 July 2018].

⁸ For example, in summer 2018 the DHV made a point of going back on a collective bargaining agreement that they concluded with a smaller subsidiary of the retail group *Metro* when the group attempted to use it to subvert ver.di's retail collective agreement.

nen und Ärzte Deutschlands (MB) (Association of Salaried Civil Service Medical Doctors in Germany), which organises primarily medical practitioners in hospitals and is by far the leading union for this professional group. In 2018 the Marburger Bund had around 122,000 members. 54 per cent of its members were women. Until 2005, MB was part of a bargaining association with the competent DGB trade unions. But in 2005 it decided to negotiate its own collective agreements. This decision was followed by the first major strike of doctors resulting in a separate collective agreement and was accompanied by a significant increase of its membership. The inter-union rivalry initially led to considerable tensions with ver.di, which predominantly represents nursing and technical staff in hospitals. In 2017, however, MB and ver.di agreed to accept their respective collective bargaining independence in the health sector and took a joint decision not to allow hospital operators to set them against each other in collective bargaining.⁹

The *Deutsche Journalisten-Verband* (DJV – German Journalists' Association) is the largest trade union for journalists. Its strongholds are publishing houses and newspapers. In 2017, it had around 33,500 members. The trade union is in competition with the *Deutsche Journalistinnen- und Journalisten Union* (dju – German Journalists' Union), which has half as many members and is incorporated in ver.di. The dju has its strongholds in public broadcasting. However, the two trade unions generally conduct collective bargaining negotiations for journalists together.

The *Deutsche Bankangestellten-Verband* (DBV – German Association of Bank Staff), which has 21,000 members according to its own figures, has always seen itself as the second trade union in the banking sector alongside ver.di. After years of bitter rivalry there has been a slow rapprochement between DBV and ver.di since 2011, culminating in an agreement on a collective bargaining consortium for the area of cooperative banks in 2017.

In aviation, there are several trade unions besides ver.di. Die *Vereinigung Cockpit* (VC – Cockpit Association) has around 9,600 members, according to its own figures, making it the most significant trade union for pilots. With a strike on Germany's largest airline, *Lufthansa*, in 2001, it achieved collective bargaining independence. There is competition with ver.di but also some cooperation in areas of common interest. The *Unabhängige Flugbegleiter Organisation* (UFO – Independent Flight Attendants' Organisation), which organises flight attendants from all airlines operating in Germany, states that it has 13,000 members.

The union is in competition with ver.di. Air traffic controllers are exclusively represented by the *Gewerkschaft der Flugsicherung* (GdF – Union for Air Traffic Control). Collective bargaining for ground staff at airports is largely the domain of ver.di with some staff also organised in unions affiliated to the dbb. Besides there are also a number of smaller professional associations which so far, however, have not had the capacity to conclude collective agreements.

⁹ They are also intent on preventing the German Collective Bargaining Unity Act (Gesetz zur Tarifeinheit) from becoming applicable. The Collective Bargaining Unity Act adopted in 2015 by the then Grand Coalition provides for the possibility that, under certain pre-conditions, where several collective agreements exist alongside each other, only the collective agreement of the trade union with the greatest number of members should be applied. Both ver.di and the MB, along with others, had appealed to the Federal Constitutional Court against this Act, which was also controversial within the DGB. However, the Court declared the Act constitutional in 2017.

3

THE CHALLENGE OF ORGANISING

MEMBERSHIP DEVELOPMENT

Trade unions in general enjoy a very positive image, if opinion polls are to be believed. In 2018, in any case, three quarters of those surveyed had positive associations with the term ›trade unions‹ (see Table 4).

This overall positive image of trade unions, however, is in sharp contrast to declining overall membership levels since the 1990s, which most notably affected the DGB. In 2017, the membership of all DGB unions combined fell below the 6 million mark – a historic low, if taking into account the fact that before 1990 the DGB only existed in western Germany.

There are various reasons for this trend. The rapid de-industrialisation of the former GDR resulted in a dramatic slump in union membership in eastern Germany in the 1990s. Another factor was that, especially in western Germany, rationalisation, restructuring and relocation led to the disappearance of many jobs in well-organised sectors of industry. The continued fall in membership numbers of the IG BCE, for example, is closely related to the phase-out of coal mining, while IG Metall struggled with the shrinking of big plants and the outsourcing of service operations by many manufacturers. The privatisation of railways and postal services and the associated job cuts in these large, formerly state-owned enterprises also had a negative ef-

fect on membership numbers. Gaining a better foothold in the private service sectors, which mostly consist of smaller enterprises, in order to make up for these losses is something the unions have so far failed to achieve. However, it seems that the overall negative trend has at least slowed down since 2008 (see Table 5). Within the DGB, GEW and GdP appear to have succeeded in even reversing it. IG Metall managed a marked consolidation, whereas ver.di continues to have reason for concern. Growth in health-care, social and educational services was not able to offset the decline in membership in other areas, such as public administration and retail. EVG lost a lot of ground, as it suffered badly from the staff cuts at Deutsche Bahn, and IG BAU also experienced a slump. Gains in membership numbers in industrial cleaning could not come anywhere close to making up for the massive losses caused by structural change in the construction industry.

Of the union confederations, only the Civil Service Federation has seen an overall positive trend in membership since 1990, benefitting from the stable employment situation among civil servants. But this could not prevent union density in Germany falling to a distinctly low level even in comparison with the rest of Europe.¹⁰ Whereas in 2001 approx-

¹⁰ For a comparative overview of the situation of unions in Europe see Lehndorff et al. 2018

Table 4
Eurobarometer: Image of trade unions in Germany (in %)*

	Positive overall	Negative overall
Autumn 2009	60	25
Autumn 2014	60	32
Autumn 2015	66	27
Spring 2016	68	24
Spring 2018	76	18

Source: European Commission Eurobarometer Survey, various editions.

* Question: »Can you please say if each of the following terms has very positive, fairly positive, fairly negative or very negative associations for you?« »Trade Unions« (»very positive« and »fairly positive« = »positive overall«; »fairly negative« and »very negative« = »negative overall«. Rest (to reach 100%): »don't know«.

Table 5
Membership development 2001–2017

	2001	2008	2017	2001–2008	2008–2017
German Confederation of Trade Unions (DGB)	7,899,000	6,265,000	5,995,000	–20.7 %	–4.3 %
Affiliates of the DGB:					
<i>Industrial Union Metal (IG Metall)</i>	2,710,000	2,301,000	2,263,000	–15.1 %	–1.7 %
<i>United Services Union (ver.di)</i>	2,807,000	2,138,000	1,987,000	–23.8 %	–7.1 %
<i>Industrial Union Mining, Chemistry, Energy (IG BCE)</i>	862,000	701,000	638,000	–18.7 %	–9.0 %
<i>Industrial Union Building-Agriculture-Environment (IG BAU)</i>	510,000	336,000	255,000	–34.1 %	–24.1 %
<i>Union Education and Science (GEW)</i>	268,000	252,000	278,000	–6.0 %	+10.3 %
<i>Union of Food and Restaurant Workers (NGG)</i>	251,000	206,000	200,000	–17.9 %	–2.9 %
<i>Railway and Transport Union (EVG)</i>	306,000	219,000	190,000	–28.4 %	–13.2 %
<i>Union of Police (GdP)</i>	185,000	169,000	185,000	–8.6 %	+9.5 %
German Civil Service Federation (dbb)	1,211,000	1,280,000	1,312,000	+5.7 %	+2.5 %
Christian Trade Union Confederation of Germany (CGB)	306,000	275,000	270,000	–10.1 %	–1.8 %
Trade unions not affiliated to any confederation	220,000	255,000	280,000	+15.9 %	+9.8 %
<i>Including: Marburger Bund (MB)</i>	70,000	106,000	120,000	+51.4 %	+13.2 %
Total	9,636,000	8,075,000	7,858,000	–16.2 %	–2.7 %
<i>Net union density*</i>	20 %	17 %	15 %		

Note: * Net union density (union members in employment as proportion of all employees in employment): Assumption of 75 per cent members in employment.
Sources: Union administrative data; destatis; oeckl-online.de; WSI calculation.

imately a fifth of the workforce were members of a trade union, only 15 per cent of employees had union membership cards in 2017. According to the chair of the DGB, this trend is threatening not only the capability of trade unions to play a role in shaping society, but also their legitimacy to do so (Hoffmann 2018).

The decline in union density goes along with a rollback of trade union structures across the board. Many people do not come across trade unions in their daily life. Even a strong media presence cannot make up for this deficit. What is needed for people to decide joining trade unions are direct contact with and visibility of trade unions in one's personal environment and particularly in the workplace (Dribbusch 2003).

However, many employees have hardly any or no personal contact with a union in their professional life, which is mainly due to the size of workplaces. Whereas in large establishments trade unions are generally well represented on the works councils and among the employees, in small and medium-sized establishments it is the exception. In addition, trade unions in typical large-scale industries can

draw on long traditions, whereas getting a foothold in private service sectors, which usually consist of small establishments, is a major challenge for unions (see Dribbusch 2003; Bremme et al. 2007; Birke 2010, among others). Where employees are spread over a large number of sometimes very small workplaces, working under different types of employment contracts and following different working time arrangements, it is much harder to establish structures of trade union representation. To overstate the point: it is not a lack in demand for trade union representation, but rather a lack in availability of trade unions that is first and foremost to blame for the small membership numbers. Where there is no trade union, nobody can join one.

The fact that despite many representation gaps German trade unions have repeatedly enjoyed bargaining successes is essentially due to their larger and smaller strongholds, which are hidden behind the national average figures. The strongest trade union bastion has been and continues to be the automotive industry, with well over half of the workforce being trade union members. In individual manufacturing plants, trade union membership among the core workforce can even be as high as 80 to 90 per cent.

These plants have always been the bedrock of support for IG Metall. Mechanical engineering (Maschinenbau), on the other hand, is a much less organised industry. Although there may be the occasional well-organised business here, it also has many small and medium-sized enterprises where trade union members are often in a clear minority. The level of unionisation in establishments in the chemical industry varies considerably, but with almost a third of employees being members of the IG BCE, the industry seems to have better than average representation across the board. In the public service sector, the remaining local public transport and local public waste disposal continue to be trade union strongholds. Of increasing importance, especially in large cities, are the local authority social and education services, as well as public hospitals. There are considerable differences between individual cities and most notably a marked city-country divide. The absence of local trade union structures is most notable in small towns and in the country and is reflected here by the absence of trade unions in the workplace. In the private service sector, the core areas of the companies Deutsche Bahn, Deutsche Post DHL and Deutsche Telekom, which emerged from post and rail privatisation, are well organised. In the new postal, telecommunications and transport businesses that are emerging on the market as a result of the liberalisation, ver.di has been poorly represented to date, however. In retail, ver.di lost many strongholds due to several insolvencies of formerly well-organised businesses. Although there is a small number of hypermarkets and fashion houses which are, in part, very well organised, organising is either very poor or absent in the majority of shops and retail. This applies most notably to large parts of food retail. Since 2013, there has been a paradigmatic dispute about recognition of collective bargaining conditions at the e-commerce giant Amazon (Boewe/Schulten 2015). Another particular challenge is that of organising the logistics sector, which has been rapidly growing since the mid-2000s and in which both ver.di and IG Metall are active.

Even in the poorly organised service sectors, bargaining successes have repeatedly been achieved through the successful mobilisation of members – even if they are only small in numbers –, particularly where they have public

support. A very good example of this was the first German national strike in the industrial cleaning sector in 2009, where IG BAU succeeded in defending a national minimum wage for the sector with broad public support.

EMBEDDEDNESS OF UNIONS IN THE WORKPLACE AND CO-DETERMINATION

The presence of trade unions in the workplace is closely linked to the distribution of works and staff councils. On the basis of the Works Constitution Act, works councils may be formed in all private sector establishments with at least five employees. They are elected by all the employees and are formally independent of the trade union. They are, however, almost always the decisive link to the trade unions at the workplace. Cooperation between works councils and trade unions is also safeguarded by law.¹¹ In 2014, according to an analysis of works council elections conducted on behalf of the Hans Böckler Foundation, around three quarters of members of works councils were organised in a trade union.

Setting up works councils is not compulsory. In establishments where no works councils exist, the trade unions do have a right of initiative though, which they can use to force a works council to be founded. It is the initial set-up of works councils in particular which frequently leads to conflicts with management (Behrens/Dribbusch 2018), with some companies actively opposing the election of works councils. This is most often the case in small and medium-sized owner-run businesses.

The size of the establishment is also significant for the distribution of works councils (see Table 6). All in all, only 9 per cent of all establishments with five or more employees

¹¹ In the same way as the Works Constitution Act (Betriebsverfassungsgesetz), which regulates the activities, rights and obligations of the works councils, the activities of the staff councils in the public sector are regulated by various staff representation laws (Personalvertretungsgesetz).

Table 6
Distribution of works councils according to establishment size, 2017 (in %)

	Establishment size (number of employees)					All 5 or more employees	All over 20 employees
	5–50	51–100	101–199	200–500	501+		
Establishments with works councils	5	32	53	69	80	9	27
Employees with works councils	9	33	55	70	86	39	52

Source: Ellguth/Kohaut 2018 on the basis of the IAB Establishment Panel; Private industry except agriculture and non-profit organisations.

Table 7
Distribution of works councils by sector, 2017
 (Proportion of establishments and employees with a work council; in %)

Sector	Establishments	Employees
Energy/water/waste/mining	35	79
Processing industry	15	63
Construction industry	3	17
Whole sale and retail trades	9	28
Transport/warehousing	11	46
Information/communication	9	35
Financial services	25	74
Hospitality industry, other services	3	9
Health, education, training	12	44
Economic services, scientific services	6	25
Total	9	39

Note: Establishments in the private sector with at least five employees, except agriculture and non-profit organisations.
 Source: IAB Establishment Panel.

have a works council.¹² However, 39 per cent of all employees work in these establishments (Ellguth/Kohaut 2018). If only the establishments with over 20 employees are considered, around half of the employees were represented by works councils in 2017, and in large-scale establishments with more than 500 employees, their proportion was as high as almost 90 per cent.

Accordingly, it is most often employees working in those sectors in which there is still a relatively high number of large-scale establishments who enjoy works council coverage. This particularly includes energy and water supply, the financial services area and the processing industry (see Table 7). Works councils are particularly rare in the construction industry, catering and in trade.

As well as workplace co-determination by works councils and staff councils, there is what is known as *corporate co-determination*, the historical basis of which was the demand by unions for a democratisation of the economy after the Second World War (see, also in relation to the content below: Hans Böckler Foundation 2015). The most far-reaching form of co-determination is the so-called *Montan* co-determination in the mining and steel industry, whose

importance has dwindled significantly due to the foreseeable end of mining in Germany and the shrinking of the steel industry. Today, the most important form of co-determination is what is known as parity co-determination introduced in 1976, which is compulsory for all corporations with 2,000 or more employees. Here, both sides – capital owners and employees – have the same number of representatives on the supervisory board (Aufsichtsrat) of a company. On the employees' side, both workplace and external trade union representatives may be elected in a given ratio. In the event of a conflict the capital owners' side, which generally appoints the chair, has an additional deciding vote. At the end of 2016, this form of co-determination applied in around 640 companies, according to the *Hans Böckler Foundation*. In addition, around 30 companies have *Montan* co-determination. Finally, in around 1,500 corporations with at least 500, but less than 2,000 employees, there is what is known as one-third participation. In this case, a third of the seats on the supervisory board are taken by representatives of the employee and trade union representatives. Due to the involvement of trade unions in corporate decisions, corporate co-determination is deemed to be a core element of the German social partnership.

EROSION OF THE COLLECTIVE BARGAINING SYSTEM

In Germany, only trade unions are entitled to negotiate collective agreements but not works councils. What the works councils are tasked with, however, is to monitor the imple-

¹² The following sections on the distribution of works councils and on collective bargaining coverage are based on the data of the IAB Establishment Panel, an annual representative survey carried out in 16,000 establishments on behalf of the Institute for Employment Research (Institut für Arbeitsmarkt- und Berufsforschung – IAB) of the Federal Employment Agency. It is the only source that enables considerations over longer periods of time.

mentation of the provisions of collective agreements. They also frequently add more detail to collective agreements, but only on issues where the bargaining parties – the employers and the trade union – have expressly determined that they should do so. DGB trade unions conclude most collective agreements. The existence of a collective agreement alone does not automatically guarantee favourable working conditions, as these are also dependent on the prevailing power relations and economic circumstances. However, the following generally applies: Where employees are covered by collective agreements, they are more often entitled to supplementary payments and annual bonuses (Hans Böckler Stiftung Pressedienst 2018) and also tend to be better paid than their peers in establishments without collective agreements. Another great advantage is that, in contrast to voluntary arrangements, collective agreements cannot arbitrarily be cancelled on the part of employers.

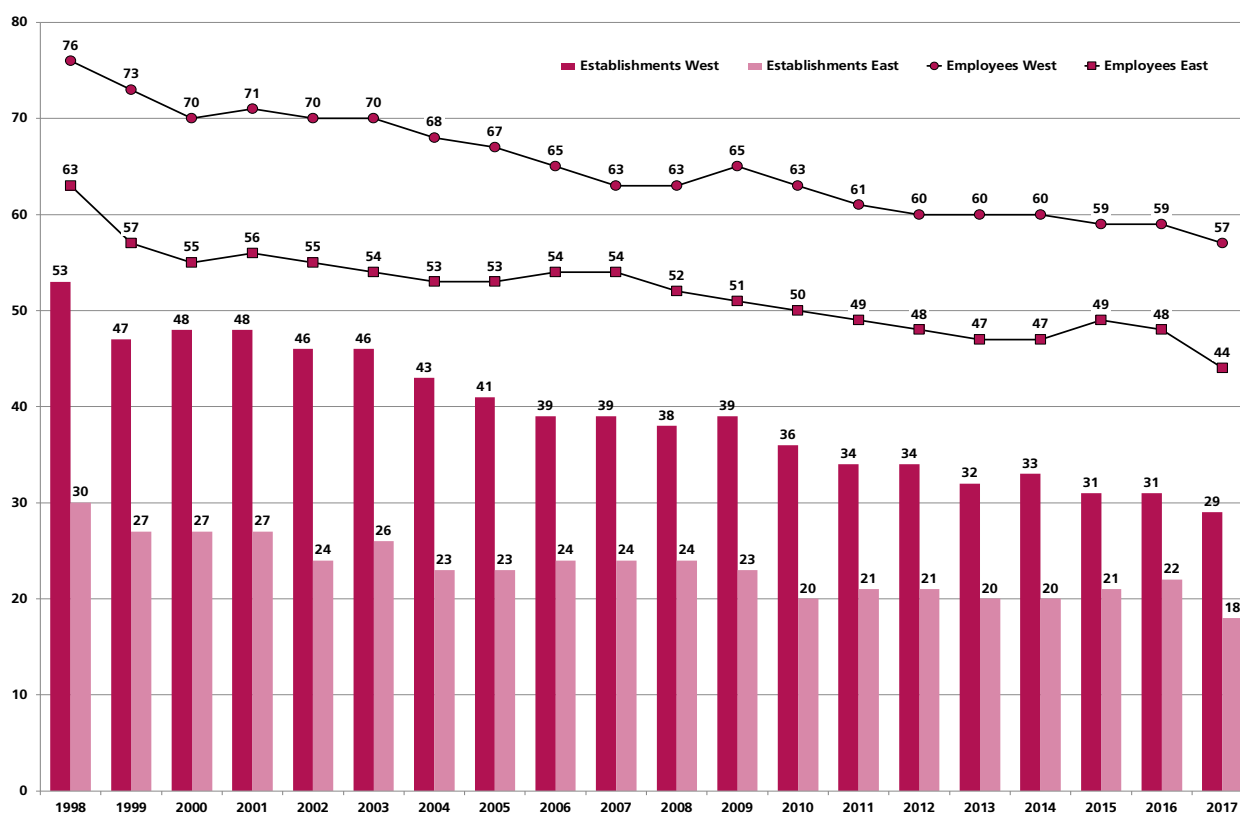
The German collective bargaining system is characterised by sectoral collective agreements (Flächentarifverträge). These are concluded for entire industries or parts of them, and they apply regionally or throughout Germany for all companies belonging to the employers' associations concluding the agreements. Unlike other countries in Europe, the state largely keeps out of collective negotiations. The exception to this are public services, in which the federal government, federal states and local authorities are themselves a bargaining party.

Since the 1990s, an erosion of the collective bargaining system has been observed, with collective bargaining coverage of establishments and employees on the decline and the binding nature and uniformity of the negotiated standards being undermined due to a range of opening clauses in collective agreements (Bispinck 2008).

The scope of trade union bargaining policy depends on how many establishments and above all how many employees are covered by the relevant collective agreements. Therefore, from a trade union perspective, it is concerning that collective bargaining has seen a declining trend since the end of the 1990s (see Fig. 2). As is the case with works councils, business size matters for collective bargaining too. Therefore, the proportion of employees covered by collective agreements is considerably higher than the proportion of establishments. In 2017, for example, in western Germany only 22 per cent of establishments with fewer than 10 employees had a collective agreement, while of the establishments with 500 or more employees, 85 per cent had collective agreements (in eastern Germany, the corresponding proportions were 13 per cent and 81 per cent).

In eastern Germany, collective bargaining coverage has never reached the same level as in western Germany and even fell below the threshold of 50 per cent of employees in 2011.

Figure 2
Development of collective bargaining coverage, eastern and western Germany, 1998–2017



Source: IAB Establishment Panel, Ellguth/Kohaut 2018.

Table 8
Employees covered by collective agreements in 2017
 (proportion in %)

Sector	Sectoral agreements		Company-level agreements	
	West	East	West	East
Agriculture	47	18	(1)	(3)
Energy/water/waste/mining	69	48	16	(24)
Processing industry	51	24	12	11
Construction industry	60	52	(3)	(2)
Wholesale	36	13	4	(5)
Retail	35	25	5	(3)
Transport/warehousing	42	9	(16)	(11)
Information/communication	16	7	(3)	(11)
Financial services	78	64	5	(2)
Hospitality industry/other services	37	24	(2)	(2)
Health/education/teaching	51	31	9	14
Non-profit organisations	53	30	(12)	(11)
Public administration/social security	91	77	7	21
Total	49	34	8	10

Note: Figures in brackets are not very reliable as there were fewer than 20 cases in the sample.
 Source: IAB Establishment Panel.

The east-west differences in collective bargaining coverage are also noticeable in the individual sectors (see Table 8). In the processing industries in eastern Germany, for example, it is only just about a quarter of all employees who are employed in a business covered by a sectoral collective agreement. The highest level of collective bargaining coverage continues to be enjoyed in the area of public administration and social security, where in both parts of the country 98 per cent of employees are working under the terms and conditions of collective agreements. Due to nationwide collective agreements, coverage is also above-average in the finance sector, and particularly in banking, whereas in the service industries, such as trade or hospitality, collective agreements now only apply to considerably less than half of the employees.¹³

As well as the decline in collective bargaining coverage, the practice of introducing opening clauses (Massa-Wirth 2007) in collective agreements, which has become increasingly wide spread since the mid-1990s, plays an important role in changing the collective bargaining system. An open-

ing clause agreed between the bargaining parties allows the works councils to deviate either temporarily or permanently from the standards agreed in the sectoral agreement, which means in practice that the binding nature of the standards agreed in sectoral agreements is diminished. Sometimes, opening clauses are merely related to details in the arrangements, but often they also concern a lowering of the agreed collective standard. Although opening clauses were initially intended for narrowly defined economic emergency situations, since the mid-2000s, deviations have also been possible if businesses claim that they have to reduce costs for reasons of competition. The arrangements have become particularly important in the context of employment and competition pacts, where works councils and workforces were often put under pressure by the threat of moving production or closures if no concessions were made. Limited employment guarantees were often agreed in return for such concessions (Mass-Wirth/Seifert 2005; Dribbusch 2012).

As surveys conducted by WSI show (Bispinck/Schulten 2003), works councils overwhelmingly have a critical view of opening clauses, as they fear in many cases, due to the unfavourable balance of power, that they would have to make concessions. Especially in sectors and establishments where trade unions have little power and influence and where the work councils' link to the unions is weak, the collective bargaining system is at risk of unravelling.

¹³ It should be pointed out that the *Verdienststrukturerhebung* (Structure of Earnings Survey) of the Federal Statistical Office (Destatis) for 2014 shows even lower figures (destatis 2016), with for example only 29 per cent of employees in the retail sector covered by collective agreements in 2014. Destatis collects the data every four years directly from 60,000 companies.

The erosion of collective bargaining coverage was an essential factor leading to the emergence in Germany of one of the largest low-pay sectors within the EU. According to calculations by Kalina and Weinkopf (2017), in 2015, 22.6 per cent of employees in Germany worked below the low-wage threshold of two thirds of the median wage.¹⁴

In view of the difficulties of effective and successful collective bargaining in sectors which are particularly affected by low wages, the DGB trade unions came to realise in the mid-2000s that a legal minimum wage would be necessary. The minimum wage campaign started by the DGB in 2007 after a number of internal conflicts (Dribbusch/Birke 2012, 2014, 24–26) very quickly gained public support. In autumn 2009, according to surveys, 85 per cent of the population were in favour of the demand. These figures remained constant over the following years. After the election in 2013, with the FDP, which opposed the minimum wage, no longer in parliament, the Grand Coalition finally included the request in their government programme.

The introduction of the statutory minimum wage in Germany on 1st January 2015 was a milestone achievement, even though in the end the law provided for transitional regulations and exceptions. It marked the end of Germany's unenviable previous position as one of few European countries with no universal minimum wage. The minimum wage of €8.50 has increased since its introduction to €8.84 from 1st January 2017, but this hourly minimum wage does not prevent old-age poverty (Lübker/Schulten 2018). Anyone who earns no more than the minimum full-time wage throughout their professional life will have to draw on additional social security payments in addition to their pension. The increases planned for 2019 and 2020 to €9.19 or €9.35 respectively will do nothing to change this situation. The minimum wage in Germany is also rather low in comparison with other western European states.

Nevertheless, the minimum wage campaign in Germany was a success for the DGB trade unions for two reasons. Firstly, they were able to gain the support of the majority of society for the core trade union demand for a general minimum wage. Secondly, the minimum wage campaign highlighted issues such as low wages and precarious employment. This had a knock-on effect on trade union collective bargaining policy. Low-wage sectors obtained more public (but also trade union) attention. All in all, this development had positive effects on the lower end of negotiated wages (Bispinck 2017). Public awareness of the often precarious earning situation in the service sector raised by the minimum wage campaign also helped with industrial conflicts in the low-wage sector, as, for example, in the case of the strike in the industrial cleaning sector in 2009 mentioned above, and various strikes of airport security staff in 2013 and 2014.

WORK, MIGRATION AND RIGHT-WING POPULISM

The distinct social differences which developed on the labour market and in the workplace over the past fifteen years or so also form the backdrop to the way trade unions are dealing with the new wave of migration since the short-term rise in refugee numbers in 2014 and 2015. Firstly, it is worth noting that the trade unions' attitude towards the new migration of refugees has been quite different from the positions that dominated the trade union movement in the Federal Republic of Germany during similarly large waves of migration at various points in history. There was no talk of stopping or controlling migration, on the contrary: In most of their public statements, the DGB and the individual trade unions stressed the humanitarian responsibility towards people who had fled from war and social deprivation (Pries/Shinozaki 2015).

Initially, this human impulse to help pushed fears into the background that the very same people could be wage competitors, despite warnings issued from the outset by leading representatives of businesses and business associations about the impact of refugee migration on the labour market. These warnings explicitly referred to the experiences with what was known as the so-called 'guest workers' during the boom period up until the recruitment ban of 1973 (Scherschel 2016). The call to use the new wave of migration to satisfy the demand for workers was accompanied by an extensive opening of access to the labour market for migrants from several third countries (referred to as 'secure countries of origin'): In 2016, the set of rules under the German 'Integration Act' (Integrationsgesetz) removed barriers such as the priority test by employment agencies (provisionally) and the ban on engaging in temporary agency work. At the same time, residency rights were linked to what was de facto an obligation to work, while taking up a course of vocational training became a criterion for retaining 'tolerated person' status (3+2 rule, Birke et al. 2017).

These measures were ambivalent, as, on the one hand, they gave new migrants at least potentially the opportunity to remain and participate in society, while on the other hand, they put these new employees under increased pressure to work by linking the willingness to accept bad working conditions to the individual's prospects of remaining – a point which was, however, largely ignored in trade union debates (Müller/Schmidt 2016). This may also be related to the fact that although some well-publicised efforts to integrate refugees in large enterprises were made and the labour market players had reached a partial understanding on initial training measures, the proportion of refugees who enjoyed such measures is negligible and can so far be described as symbolic, at best. According to a study by the Institute for Employment Research, the overwhelming majority of migrants from non-EU states are employed in areas such as catering, care for the elderly, the cleaning industry, e-commerce or the food industry – areas in which lower wages and often badly exploitative, psychologically and

¹⁴ In 2015, the low-wage threshold thus calculated was €10.22. As the low-wage threshold is a relative value it increases with the general wage level.

physically stressful working conditions prevail (DGB 2017, 4). In this respect, the integration of refugees in the workplace is taking place along the exact same lines as the integration of groups who enjoy the EU's free movement of workers (Carstensen et al. 2018).

These are however – as mentioned before – precisely the areas where the levels of co-determination in the workplace and of trade union activity are relatively low. This is why there has been little progress so far with regard to an idea put forward by some researchers that trade unions should play a key role not only in the discourse about a humanitarian refugee policy, but also in the practical implementation of participation in the workplace – supposedly in the same way as experienced in large industrial enterprises in the 1970s (see Müller/Schmidt 2016 regarding this perspective). Given the enormous structural obstacles that trade unions are facing in precarious service sectors and the resulting trade union presence in the relevant establishments, which is patchy at best, trade union organising of the new migrants in their workplaces does seem to be a prospect that may be extremely difficult to achieve (Birke et al. 2017). Trade union initiatives in this area are therefore currently focused on setting up and supporting state-funded advice centres such as »Fair Mobility« (EU migration) or »Fair Integration« (third country migration). The importance of the work they do in providing advice on social security and labour law for those affected can hardly be overstated, as many of the new migrants have to cope with extreme workloads while working unlawful hours and/or receiving less than the minimum wage.

And there is another side to the development of closed and segregated labour markets at company level: the competition between »German« and »foreign« workers so often put forward as an argument by right-wing politicians in the Federal Republic is in fact limited to a few sectors and remains, all in all, a rare exception. From this perspective, the above mentioned trend towards a »protest vote« among certain groups of workers needs clarification. There are now several comprehensive studies available which deal with this question and which also relate to the micro-level of individual companies. Based on over 100 interviews with trade unionists and workplace activists, Dieter Sauer and others have asked how, in workplace contexts, the right-wing populist orientation has been able to spread (Sauer et al. 2018). What they have observed in the workplace (but also elsewhere) is a partial lifting of taboos on expressing right-wing views, a radicalisation of everyday racism and »ethnic« interpretations of conflicts in workplaces.

What the authors perceive as a structural cause for the spread of racism in the world of work are the fear and unease among workforces resulting from the threat of losing their jobs, the increased pressure in terms of both performance and time and similar trends which are hardly ever addressed in public and eventually turn into »anger at everyone and no one in particular«. The labour sociologist Klaus Dörre follows a similar pattern of explanation, in

which he associates the increase in racist attributions at the workplace directly with the »representation gap« of trade unions, and therefore believes that it is particularly prevalent in workplaces where dissatisfaction and social conflicts are not met with an effective institutional response by works councils and co-determination (Dörre 2017).

The interesting thing about these theories is that they stress the importance of scope for collective action in the workplace and trade union successes in fighting racism. It remains disputed, however, to what extent racism can be attributed to the social situation of individuals, as it is undoubtedly a phenomenon that is spread throughout society.

However the causalities are described, the rise of the right poses a twofold challenge to trade unions. First, given the high proportion of trade union members and certain categories of workers among AfD voters, it must be assumed that the anti-racist positions defended by trade unions have limited impact and persuasiveness in the workplace. At the same time, trade unions are faced with the task of preventing right-wing and openly racist positions from becoming anchored in the works councils.

Such attempts have most recently been observed at the works council election in spring 2018, where candidates from AfD-related lists were able to win just under 20 per cent of the votes and win seats in particular in a few plants in the metal industry. A landslide of these right-wing lists frequently disguised as »independent« or »alternative«, however, was not observed (Dohmen 2018). In the contrary, IG Metall even gained votes in the majority of cases. This does not mean, however, that there is no reason for concern about what the future holds.

All in all, some challenges remain: Solidarity with (new) migrants and the fight against racism must be embedded in the workplace as well. Working on image and initiatives to raise awareness alone are clearly not enough. What is and will be crucial in the future is to emphasise the common interests in the fight against precarious working and living conditions, to take the new employees seriously and involve them in both workplace and trade union organising efforts – including representation on trade union lists at the respective elections.

4

THE »GERMAN MODEL« AFTER THE CRISIS

CORE AND PERIPHERAL AREAS OF WORKPLACE INTEREST REPRESENTATION

At the time of the Cold War when the Federal Republic of Germany first came into being, there was no consensus to speak of on what industrial relations should be like. What appears in hindsight to be a post-war class compromise emerged from a conflict-ridden process that extended well into the mid-1970s (Birke/Dribbusch 2013). The feature which became characteristic of the »German model« of industrial relations is what is known as »social partnership«. The differences in the interests of the employees' and the capital-owners' side were – so the guiding idea – not insurmountable as both sides were united in the common interest of ensuring the competitiveness of companies and the economy as a whole. This idea was embedded in an expansion of the welfare state and safeguarded by the institutions of co-determination. Within the trade union movement a concept of the »trade union as a countervailing power« (Gewerkschaft als Gegenmacht) (ibid.) was and is also being put forward, sometimes competing with and sometimes supplementing the notion of »social partnership«. This concept is more strongly focused on the different interests of capital owners and employees. Both these concepts are implemented in practice at the workplace as well as in collective bargaining policy, but are hardly ever to be found in their pure form, as they are determined by spe-

cific circumstances. A decisive factor in their implementation is not least the capacity of employees and trade unions to assert themselves. Only where they are strong enough to effectively fight for their interests will it be possible to claim substantial concessions from the capital owners' side. The recognition by capital owners and the government of trade unions as legitimate representatives of employee interests is based, in this interpretation, on the unions' capacity to both disrupt and make peace, in other words a minimum degree of trade union power.

But this »German model« is in a state of transition (Dribbusch et al. 2018). In eastern Germany it has never really taken widespread hold and in western Germany its formative power has decreased after 1990. Both regulation in the workplace and regulation through collective bargaining, as the two core elements of the dual system of industrial relations in Germany, have lost a considerable amount of their former coverage. The relationship between core and peripheral areas of the dual system has shifted. The existence of works council and collective agreements has changed from being the standard to being the exception.

Establishments which have both a works council and are covered by a collective agreement can be described as the core area of the dual system of interest representation (Ellguth/Kohaut 2018). These core areas have shrunk consid-

Table 9
Collective bargaining coverage and works councils 1998–2017
 (Proportion of employees covered in %)

	1998	2000	2002	2004	2006	2008	2010	2012	2014	2016	2017
Works council and collective bargaining coverage	44	41	42	39	38	35	36	33	34	32	29
Works council and no bargaining coverage	4	7	7	7	8	9	9	9	9	9	9
Bargaining coverage and no works council	29	25	23	24	24	23	22	21	23	21	20
No bargaining coverage and no works council	24	27	28	29	32	33	34	36	34	38	41

Note: Private economy except agriculture and non-profit establishments; percentages in columns may not add up to 100 due to rounding.
 Source: IAB Establishment Panel.

Table 10
Distribution of collective bargaining coverage and works councils in the private sector in 2017
 (Proportion of employees covered in %)

	Western Germany			Eastern Germany		
	Total	Processing industry	Services	Total	Processing industry	Services
Works council and collective bargaining coverage	31	53	24	22	30	23
Works council and no bargaining coverage	9	13	8	11	19	11
Bargaining coverage and no works council	21	9	27	16	5	19
No bargaining coverage and no works council	39	26	42	51	46	46
Total	100	100	100	100	100	100

Note: Private economy except agriculture and non-profit establishments; percentages in columns may not add up to 100 due to rounding.
 Source: IAB Establishment Panel.

erably. While covering as much as 44 per cent of employees in 1998, the proportion was down to 29 per cent in 2017 (see Table 9). On the other hand, in the same period, the proportion of those employees who have neither a works council nor a collective agreement has increased from 24 per cent to 41 per cent. In between, there are 9 per cent of employees in establishments with a works council, but without collective bargaining coverage and 20 per cent who have no works council but do have a collective agreement.

Here, too, there are marked differences between western and eastern Germany and between the key industrial sectors. Whereas in the processing industry in western Germany in 2017, the majority of employees still worked in establishments with a works council and collective bargaining coverage, this only applied for just under a quarter of the employees in the private service sector – see Table 10.

Against the backdrop of coverage of the dual system, a distinction can be made between three »worlds« of employment relations, based on Schröder and Wessels (2003; Hassel/Schröder 2018). The first of these worlds comprises large enterprises with established relations between trade unions and employer associations. The production plants of the automotive and chemical industry are at the core of this world. Most of these establishments are located in western Germany. Public service can also be counted to a limited extent as part of this »first world«, but trade union strength has declined significantly here since the 1990s. The »second world« includes the sectors where – although trade union presence is patchy and their strength varies – some employer associations exist which are not in principle opposed to collective bargaining. Here works councils and sectoral agreements still play a role. This »second world« is represented by parts of the processing industry where small and medium-sized enterprises dominate, the building

industry, traditional private service sector branches such as banking, retail or industrial cleaning and a number of crafts and trades. Finally, the »third world« consists of businesses and sectors with generally only marginal trade union representation. Employer associations are rarely or hardly to be found in this world and workplace interest representation by works councils is a rare exception here, as is the existence of collective agreements. This world is characterised by small, often owner-managed businesses, but also comprises several service providers emerging on the market in such diverse sectors as IT and telecommunications, abattoirs, large parts of road transport and contract logistics. This »third world« is largely consistent with those establishments that have neither a works council nor a collective agreement. However, it also extends into sectors and establishments with formal bargaining coverage but a marginal trade union presence.

The composition of these three worlds is not rigid, but rather constantly in flux. They affect each other and are not least of all linked by interconnecting supply chains and the policy of outsourcing. It is fair to say that in the first decades of the Federal Republic – aided by a positive trend in the labour market – the bargaining successes that were achieved in the »first world« were transferred with certain delays and adaptations to the second and third world as well. And even in 2017 the influence of the collective bargaining markers set by the automotive industry or in the public sector is not insignificant for the wage development. Conversely, however, since the second half of the 1990s, a growing influence of the »third world« on well-organised establishments with collective agreements in place can also be observed, manifesting itself in cost-cutting and outsourcing.

At many production sites, particularly those of large automotive manufacturers, but also at big chemical sites, the

three worlds exist alongside each other. The transition from one world to another is sometimes only recognisable by a marking on the shop floor. There are several production sites where now only a minority of the workers are actually employed by the manufacturer, as the example of the BMW plant in Leipzig shows. In November 2015, the plant had a total of 10,700 employees (Schumacher/Duhm 2016). Of these, however, only 44 per cent were directly employed by BMW. 25 per cent were employed by other companies working for BMW on the basis of contracts for work. Almost a third (31 per cent) worked as temporary agency workers either directly for BMW or for one of the companies subcontracted by BMW (see Fig. 3).

The situation is similar at other automotive manufacturers (Helfen/Sydow 2015). The division of the workforce corresponds to the different levels of collective bargaining coverage. The conditions of the sectoral agreement of the metal industry only apply to the manufacturer's core workers. The service companies operated by the manufacturers themselves are often already subject to different collective agreements with less favourable conditions for the workers. Staff of companies subcontracted by the manufacturer and temporary agency workers are subject to yet another set of conditions. In a survey conducted in just under 3,600 establishments by IG Metall in 2018, 72 per cent of works councils stated that they thought the working and pay conditions at »their« industry-related service providers were »mainly worse« in comparison with those in their »own« establishment (IG Metall 2018b). Two thirds of the service establishments, according to the works councils, have no collective agreements in place.

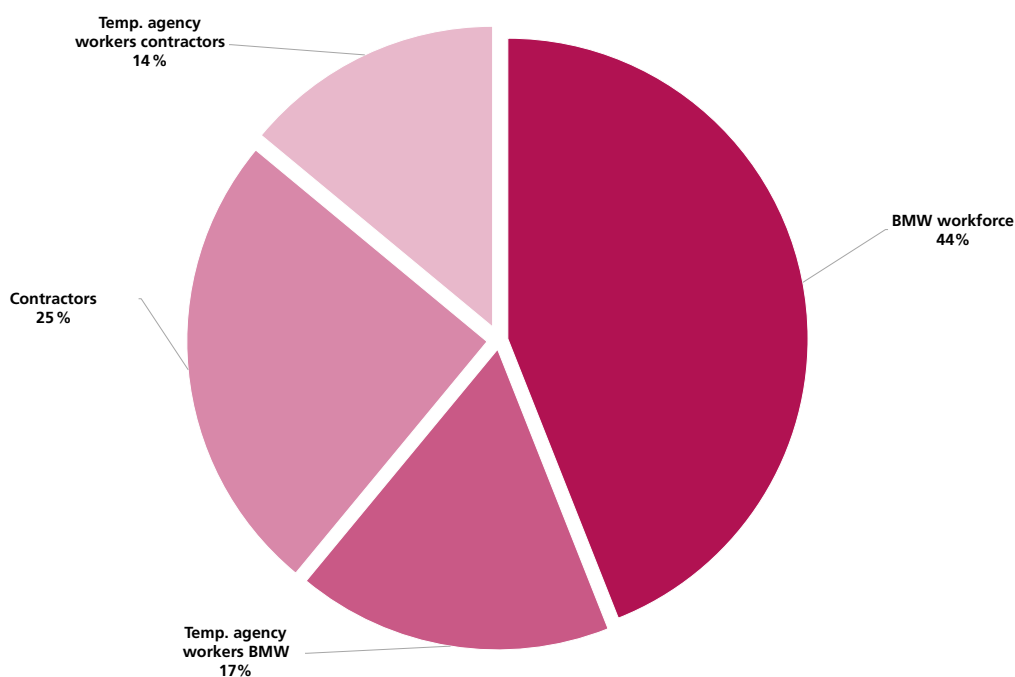
The result is a sloping curve of wage standards along the value chain (Helfen et al. 2016). Taken together, these different levels of pay and conditions contribute to a hybrid costing that, from the perspective of the industrial groups, ensures global competitiveness.

Trade unions are therefore faced with differing interests that cannot always be reconciled without conflict through collective bargaining. For example, many site agreements are problematic because cost-cutting in one company can have negative consequences for employees of competitors and suppliers. In the mid-2000s, IG Metall started a campaign under the motto »Besser statt billiger« (Better rather than cheaper) with the aim of enabling works councils to respond to cost-cutting programmes, for example, with their own proposals for workplace innovations in order to avoid a one-sided deterioration of working conditions (Haipeter 2012; Wetzel 2005). However, this concept, too, necessarily remains attached to the logic of competition and can therefore only resolve the conflicts of interest along the value chain to a limited extent, if at all. Overall, a sustainable trade union response to the differentiation and fragmentation of workforces is still being sought.

THE FUTURE OF THE »GERMAN MODEL«

A generalising statement about the future of the »German model« is difficult to make. The various »worlds« of industrial relations carry different frameworks for conflict and cooperation between the bargaining parties at industry and workplace level. The repertoire of action of the German trade unions includes both social partnership and

Figure 3
Forms of employment at BMW Leipzig in November 2015
(Proportions in %)



Source: Schumacher/Duhm 2016; own illustration.

conflict-oriented strategies. Which strategies are pursued depends on the particular situation and can change from case to case. During the crisis of 2008/2009 the ›German model of social partnership‹, based on negotiations and central agreements, experienced a political renaissance (Dribbusch 2012; Dribbusch et al. 2018). The crisis hit the pillars of the German export economy and, with the automotive industry at its core, an industry in which IG Metall represented a serious force. In addition, it seemed in the beginning that the crisis could completely slip away from control and lead to unforeseeable social unrest. This promoted on the side of employers and the government an appreciation of the trade unions as a social regulatory power. In addition, there were converging interests with regard to limiting the consequences of crises. The companies counted on a rapid end of the economic downturn and, given the shortage of skilled workers they had lamented before the crisis, they had a keen interest in keeping their trained, regular employees at an acceptable cost. As a result of tripartite crisis management including state intervention and company level agreements and collective bargaining as well as a certain amount of luck due to the international demand re-emerging in 2010, employment shrunk less than in other European countries. Job losses hit first and foremost the temporary agency workers and those with fixed term contracts. At the same time, however, the short-term safeguard of the core workforces also contributed to the fact that the gap between these core workforces and the so-called periphery workforces with regard to wages, working and employment conditions rather widened in the years following the crisis (Birke 2011). Nevertheless, ›Germany's jobs miracle‹ (Krugman 2009) was henceforth proof of the longevity of the German social partnership and the positive effect of the involvement of the trade unions. In particular, IG Metall and IG BCE were able to point to their contribution to the stabilization of the German economy. Among the parties in government, the positive role of unions in coping with the consequences of the crisis is undisputed, as is the importance of works councils and collective bargaining agreements.

SETTING THE COURSE FOR THE FUTURE OF COLLECTIVE BARGAINING

Since the mid-1990s, unions have been faced with employer associations going increasingly on the offensive. Collective bargaining achievements that were thought to be undisputed, such as a shorter working week, or certain special payments, were put into question again, and entire sets of collective agreements were renegotiated in some cases, as in public service. At the same time, the scope for distribution changed. Collective bargaining policy was dominated by efforts to respond to these attacks from a defensive position and attempt to defend existing collective agreements, or at least to prevent one-sided changes at the expense of employees.

The DGB unions did not always choose the most fortunate course of action. After the deregulation of temporary

agency work by the red-green government in 2002, the DGB decided to negotiate collective agreements at national level with the temporary work agencies, which so far had largely not been covered by collective bargaining.¹⁵ However, lacking any foothold among agency workers, traditional leverage was not available, and the readiness of CGB unions to undercut the demands of the DGB unions additionally weakened their negotiating position. As a result, the collective agreements concluded in 2003 meant that in many areas the existing worse position of temporary agency workers compared with the core workforce of the hiring companies had in fact been cemented. In the following years, it took unions a lot of effort to conclude agreements for supplementary payments for temporary agency work at plant level in order to close the gap at least to some extent. The campaign ›Gleiche Arbeit – Gleiches Geld‹ (Equal Work – Equal Pay) started by IG Metall in 2008 gave the deciding impetus. Furthermore, IG Metall decided, in 2011 for the steel industry and in 2012 for the metal industry, to conclude collective agreements that provided supplementary pay for temporary workers in the corresponding sectors. In 2017, new legislation was introduced, which helped regulate temporary agency work to some extent, as it stipulates that temporary agency workers are entitled to receive the ›same wages‹ as permanent employees after nine months of temporary work in the same business. However, as many do not stay in the same place for such a long period and others are deliberately swapped when the nine-month period is up, this regulation only has a very limited effect.

Furthermore, a maximum limit was re-introduced. No temporary agency worker is permitted to be assigned to the same hirer for more than 18 successive months. After 18 months at the latest, temporary agency workers must be removed from their placement with the hirer unless they are taken on as permanent employees by the hirer. However, upward deviations from this limit are possible based on collective agreements. IG Metall has campaigned most effectively for this and their collective agreements now allow temporary agency workers to stay as long as a maximum of 48 months in the same employment. As the collective agreement of IG Metall provides for a sector supplement of 50 per cent on the pay of temporary agency workers after nine months of temporary work, IG Metall believes that it is also in the interest of the temporary agency workers in metal companies not to be signed off after 18 months and then having to start again somewhere else in a potentially lower paid job (Rossmann 2017).

In spite of an overall difficult situation, different trade unions have managed to make their mark in collective bargaining since the mid-1990s in one way or another. Four

¹⁵ The Government not only removed almost all restrictions on agency work but in order to satisfy EU demands it also included the principle of equal treatment in the Temporary Employment Act. However, this was then subjected to the caveat that it was possible to deviate from the equal treatment principle by way of collective agreement. The latter was regarded as an incentive for temporary work agencies to conclude collective agreements.

collective bargaining approaches which may set the course for the future are presented below: Firstly, individual employment groups and sectors are notably adopting offensive negotiating strategies, secondly, collective bargaining in the area of healthcare and social professions is becoming more and more important, thirdly, conflicts in the service sector in general are growing in importance, and fourthly, there is a renewed and changed emphasis on working hours policy in bargaining negotiations.

Firstly, the collective bargaining policy of the professional unions has been partially successful. This has been due as much to the fact that they occupy key positions in the work process as to labour shortage and a favourable market situation resulting from this for individual employment groups. After the services union ver.di was founded in 2001, the *Vereinigung Cockpit* (VC – Cockpit Association) decided to conduct, from then on, their own bargaining negotiations at *Lufthansa* for the pilots they represented – a step which was heavily criticised by ver.di. Ver.di reproached the VC for splitting the workforce and encouraging group selfishness. VC was nevertheless able, by way of a strike, to prevail against the management's strong resistance and achieve above-average pay rises. The industrial dispute about the company pension scheme, which lasted from 2014 to 2017, showed how the management had adjusted to dealing with the VC. Despite repeated work stoppages, the VC had to make significant concessions in the end, after *Lufthansa* brought a potential relocation of its companies to Austria to the table. In 2002, *Lufthansa* accepted *Unabhängige Flugbegleiter Organisation* (UFO – Independent Flight Attendants' Organisation) as an independent bargaining party, whose bargaining power remained limited however.

The privatisation of healthcare and differences over the conclusion of a new framework collective agreement for the public service meant that the union for salaried medical doctors, *Marburger Bund*, decided not to sign the new framework agreement for the public sector (*Tarifvertrag für den öffentlichen Dienst*) concluded in 2005 and to become an independent bargaining party instead. Particularly younger hospital doctors had pressurised the professional organisation into becoming more trade union-like (Martens 2007). Extensive strikes by doctors took place for the first time in Germany and led to the MB signing its own collective agreements in 2006, which in the MB's view were better suited to the needs of salaried medical practitioners. Finally, in 2007, the *Gewerkschaft Deutscher Lokomotivführer* (GDL – Trade Union of German Train Drivers) also got involved in an industrial dispute and achieved collective bargaining independence.

What these professional unions all have in common is that they are active in service sectors or companies that used to be state-owned, that they are well or very well represented in the professional groups that they organise and that they claim to be able to conclude better collective agreements by going it alone (Bispinck/Dribbusch 2008).

The movement towards bargaining independence was a watershed moment in the German system of industrial relations, in which the DGB trade unions had had a de facto negotiating monopoly for several decades. The employer side, which had no qualms about fragmenting the collective bargaining landscape through temporary agency work and outsourcing, became worried by this trend and the prospect of having to deal with powerful individual occupational groups in the future. The DGB unions at times shared these concerns although for different motives. They feared a fragmentation of the union landscape.

But it has not yet come to that. The step towards independence in collective bargaining is difficult and requires, not least, a sufficiently large membership base. No other professional union beside those mentioned above has been able to succeed in this since 2007. Nevertheless, these conflicts impacted on other collective bargaining conflicts in the service sector as well. In ver.di, for example, it was recognised that there were issues specific to professional groups that could not be resolved in the context of general collective bargaining rounds for the public service.

A second important aspect of collective bargaining policy which has now emerged is the conflict over the situation in care and social professions. Against the backdrop of public debates on the growing inequality and undervalued »female professions«, both in education and in care, more and more women started fighting for better recognition of their work, which, though appreciated by society, lacks adequate financial reward (Artus et al. 2017). It was only in 2009 that this was addressed more broadly in collective bargaining for the first time. An independent collective bargaining movement in local social and educational services began, which resulted in the first national strike of public child care workers. As well as better pay for pre-school teachers, the toll of child care work on health was discussed in detail (Kutlu 2013). The industrial dispute conducted with huge commitment on the part of employees finally ended in a compromise that brought individual improvements but no fundamental breakthrough in terms of an improved recognition of social and educational professions. After the concluded agreements had expired, the issue therefore was back on the agenda in 2015; this time with demands for way above average increases in pay for social workers and pre-school teachers. The mobilisation of employees exceeded the expectations of the union (Kutlu 2015; Artus et al. 2017). While ver.di had already attracted many new members in 2009, employees joined the union in droves in 2015, predominantly in western Germany. This trend continued despite some dissatisfaction with the course the bargaining rounds had taken, which is why the results of a first settlement were rejected (Birke 2017), for example. The outcome achieved after several weeks of industrial action was also regarded as unsatisfactory by many employees. Nevertheless, the industrial disputes of 2009 and 2015 were important steps towards improved recognition of the social and education professions in the public eye. The broad participation of social workers and educators in the warning strikes of the public service bargaining round in

2018 showed their ongoing determination to continue the fight for their demands. The collective bargaining round resulted in further improvements, including in particular for newcomers to the professions. The harmonisation of wages for care professions with those for skilled industrial work dominated by men, predominantly in the automotive industry, remains a long way off, however.

The link between demands for better public services and industrial disputes of mostly female employees is significant not only in the social and education service, but also in care professions, including in particular the healthcare and nursing sector. For example, after many years of preliminary work, employees at the Berliner Charité, one of the largest hospitals in Europe, went on strike in July 2015, under the motto »Mehr von uns ist besser für alle« (More for us is better for everyone) (Hedemann et al. 2017). This industrial action focused on the demand for new hires in order to drastically reduce the workload of nursing staff. This Berlin »care workers' strike« was exemplary in the true sense of the word. Not only did it raise a huge amount of public awareness, it also encouraged further similar strikes at other German hospitals, which sometimes led to many weeks of industrial dispute, like for example in the summer of 2018 at the *Universitätsklinik Düsseldorf*. Initially highly controversial within ver.di, the care campaign has now become well established. There is of course also always a political dimension to the demand for more care staff: Parliament and government have already had to deal with this issue on several occasions.

Thirdly, not only in the area of production of public goods, but also in the service sector in general, visible collective bargaining conflicts have been on the increase for several years, and even areas that are traditionally deemed to be »difficult« in terms of collective bargaining are affected. The private security services, which have become more prevalent since the 1990s, are one example of this. Here, a new generation of union secretaries began in the mid-2000s to develop a new collective bargaining policy together with the employees (Bremme et al. 2007; ver.di NRW 2014). The aim was to no longer accept the low wages in this sector as an irreversible fact. The privatised security and control activities of passenger check-in at airports were particularly effective as a lever for change. Aided by a high level of willingness to strike among the employees, the first breakthroughs were made here in 2013 and 2014 – particularly in the form of pay rises that were way above average.

The employer-related German Economic Institute (IW) believes that the collective bargaining approach adopted by ver.di since the late 2000s – with its stronger focus on professional groups and its key role in mobilisation attempts throughout the service sector – is a response to the emergence of professional unions aiming to prevent further fragmentation (see Lesch 2016). There is an essential difference however between this approach and the emergence of professional unions, which is that, in ver.di, the professional groups referred to above remain part of the overall

collective bargaining policy. What is really setting the course for the future of collective bargaining here is not so much the focus on professional groups, but rather the fact that public awareness is raised for more generalisable issues, such as recognition, reducing workload and fighting against low-wage employment, on a much broader scale than in a number of individual high-profile disputes.

Fourthly, working time policy has once more become the subject of collective bargaining conflicts, with a new collective bargaining focus on the possibility of choosing between working hours and pay. The pioneer for this is the *Eisenbahn- und Verkehrsgewerkschaft* (EVG – Railway and Transport Union). For its around 100,000 members at *Deutsche Bahn* (German Railways), the EVG succeeded in 2016 in concluding a collective agreement which offers these employees a choice between having a pay rise of 2.6 per cent effective from 1st January 2018 or, alternatively, converting this rise into six extra days of leave or into a reduction of their working hours by one hour a week. A survey was carried out prior to the collective bargaining round to ask members about their bargaining preferences which showed that about equal numbers of employees preferred a pay rise and less working hours or more leave, respectively. Therefore, EVG decided to enter into the negotiations with this option model, which was agreed in the end. The final figures in summer 2018 showed that around 56 per cent of employees had opted for more leave, 41.4 per cent for the pay rise and 2.6 per cent for less working hours.¹⁶ According to EVG's calculations, the additional leave resulted in the need to employ an additional 3,000 workers (EVG 2017).

This innovation in collective bargaining also impacted on other unions. IG Metall also negotiated for an option model in the collective bargaining round of 2018 for the metal and electrical industry. In this case, however, the demand was not for a choice between additional leave or pay. Instead, the trade unions tried to negotiate for employees to be able to reduce their weekly working hours in the short-term for a limited period while being guaranteed to be allowed to return to their previous working hours at a later stage. For employees under a particularly high amount of stress or pressure and for those who use their reduced working hours to care for dependants, the loss of income was to be partially compensated. It was this last point in particular which met with strong resistance on the part of the employers. After extensive work stoppages, a very complex compromise was eventually reached. In addition to a general pay rise, a new *negotiated supplementary pay* of 27.5 per cent of the monthly income was introduced (Schulten/WSI Collective Agreement Archive 2018). Furthermore, an individual right to a fixed-term reduction in working hours with the right to return to full time, but without wage compensation, was agreed. Employers may refuse permission if 10 per cent of employees have already opted for this. Employees who care for dependants and

¹⁶ Information from EVG, 6 August 2018; WSI Collective Agreement Archive.

shift workers may, instead of the negotiated holiday pay, opt for eight additional free days a year; this corresponds to two days more than the numerical equivalent value of the additional pay. Establishments were in turn given the option to agree with certain groups of employees – for example, in research and development departments – on an increase in working hours. The public responded positively to IG Metall's decision to focus on reducing working time in the 2018 collective bargaining round – particularly for those caring for dependants. It was regarded as an example of innovative collective bargaining. Prior to the collective bargaining round, IG Metall had surveyed around 680,000 employees in its organising area about their working conditions and preferences. The information obtained from this survey was used as the basis for preparing and justifying their demand (Hofmann/Smolenski 2018). Initial analyses on the implementation showed that 80 per cent of the shift workers presented with the choice that the collective agreement enabled them to make opted for more leave instead of more money (ibid.).

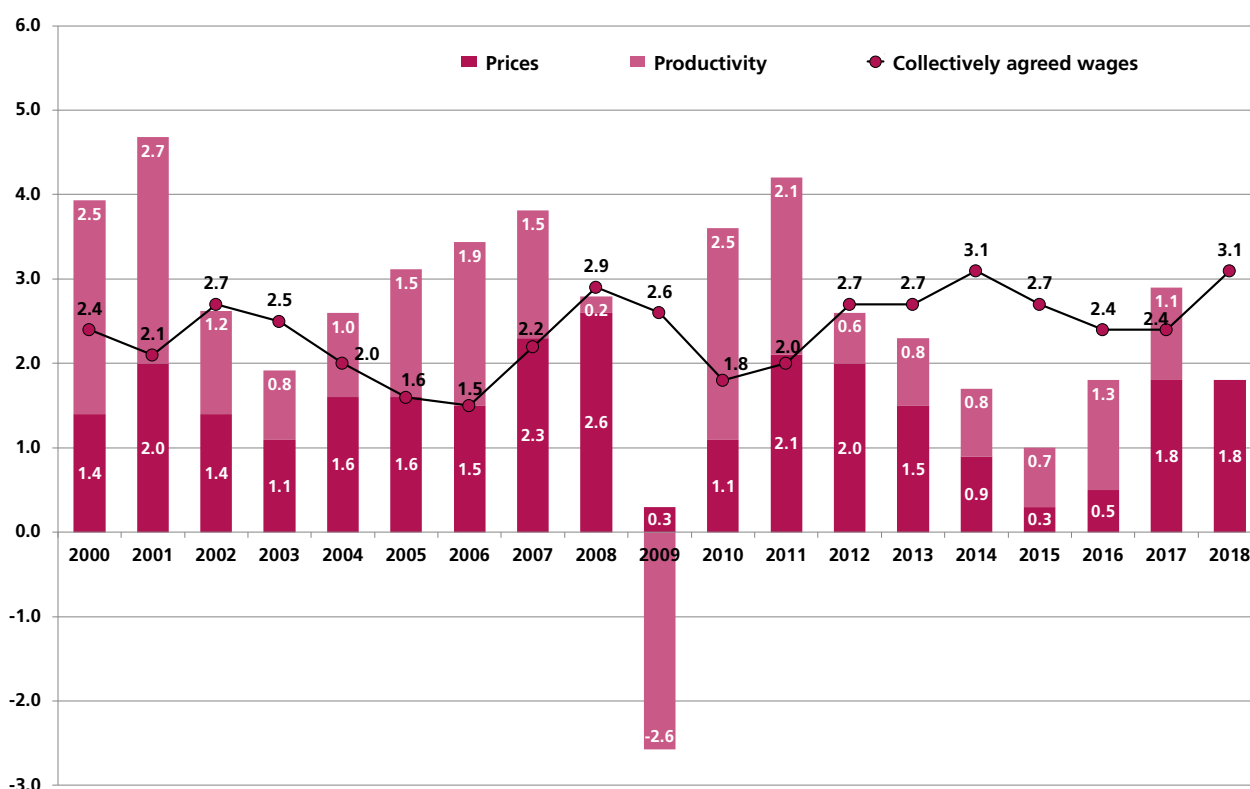
In December 2018, after a four-hour strike that brought rail traffic to a complete standstill in Germany, the EVG reached a new collective agreement at *Deutsche Bahn*, that gives employees an additional choice, from 2021, between a pay rise or reduced working hours. Other trade unions such as, for example, ver.di at *Deutsche Post DHL*, concluded similar collective agreements, enabling an exchange of money for working hours, in one form or another.

In conclusion it can be said of the collective bargaining developments since 2005 that unions – although on the defensive in many sectors – were still able to make a mark in terms of new and innovative approaches to collective bargaining. The economic situation has certainly played a role here too, as it allowed for a more offensive wage policy to be pursued. This is reflected in a relatively positive trend in negotiated wages, particularly in comparison with the period before the crisis, in which real wages stagnated for about a decade and sometimes fell. Real wage increases have been achieved since 2012 due to a low inflation rate (see Fig. 4).

When comparing different sectors, it can be seen that the large industrial sectors such as the chemical, metal and electrical industry have the greatest increases in negotiated wages between 2000 and 2017. On the other hand, pay rises in the banking industry or also in retail were much lower. In public service, too, the wage development was below average in this period in comparison with the economy as a whole (see Table 11).

If we consider not only the negotiated income but the development in the gross hourly wages as a whole, it becomes evident that the *negative wage drift* seen until 2007 has been reversed since 2009. Whereas the annual increases in actual wages, i.e. the gross pay per working hour, were below the annual increases in negotiated wages from 2002 to 2007, they have been above the negotiated wage

Figure 4
Negotiated wages, prices and productivity 2000–2017
(Changes from the previous year in %)



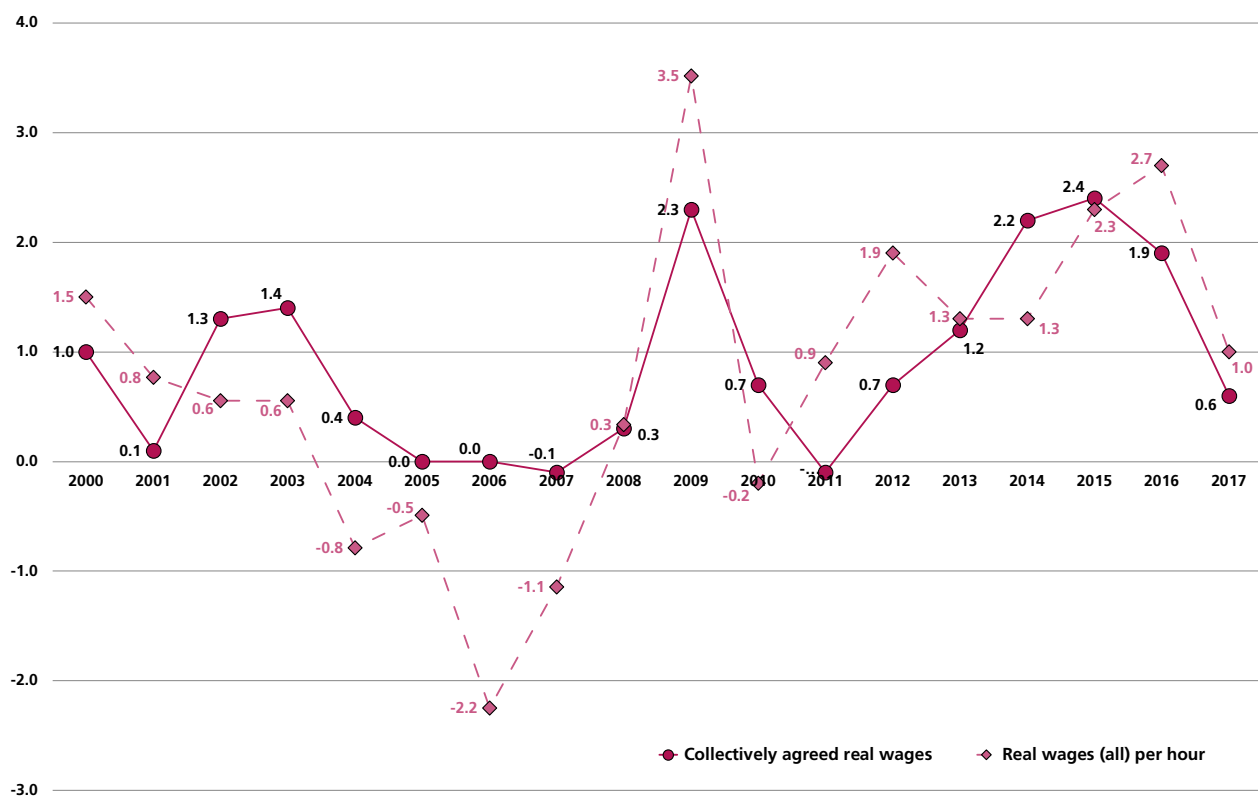
Sources: Productivity: destatis, VGR, specialist series 18, series 1.4; Prices: destatis, price indices, specialist series 17 series 7; negotiated wages: WSI Collective Agreement Archive.

Table 11
Wage development in selected sectors 2000–2017
 (Index: 2000=100, selected years)

Year	Economy as a whole	Metal industry	Chemical industry	Public service federal government, local authorities	Retail	Banking industry	Main construction trades	Hotels and catering
2000	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2005	111.4	112.5	113.1	110.0	110.6	113.4	107.9	110.6
2010	124.2	128.3	130.1	120.9	118.7	124.4	120.4	121.1
2015	141.5	148.6	148.1	137.4	133.1	136.7	138.6	138.8
2016	144.8	151.9	150.9	140.7	137.0	138.0	142.5	142.9
2017	148.3	155.7	154.8	144.3	139.4	139.5	145.9	146.7

Source: WSI Collective Agreement Archive.

Figure 5
Real negotiated and actual wage increases, 2000–2017



Sources: Destatis; WSI Collective Agreement Archive; version 2018.

increases in several years since 2009 (see Fig. 5). Among the factors that can generate this so-called *positive wage drift* in phases of economic prosperity, are primarily overtime supplements due to working longer hours, and payments above negotiated levels in some companies. It also turns out that, with the tense situation on the labour market, many companies not covered by collective agreements cannot simply afford to fall behind the development of negotiated wages.

INDUSTRIAL ACTION DEVELOPMENT IN FIGURES

The official strike statistics kept by the Federal Employment Agency (BA) suffer from the fact that many employers do not fully meet their obligation to report all industrial action to the agency. To offset these deficits, the WSI has established alternative strike statistics which are mainly based on information provided by trade unions and on the WSI's own research (Dribbusch 2018). According to these, in international comparison, Germany is taking a position in the lower middle field of strike statistics.

Looking at the overall situation, the following continues to apply: Strikes remain exceptional situations in Germany, in which even in strike-intensive years, only a minority of employees are actively involved. In a representative survey

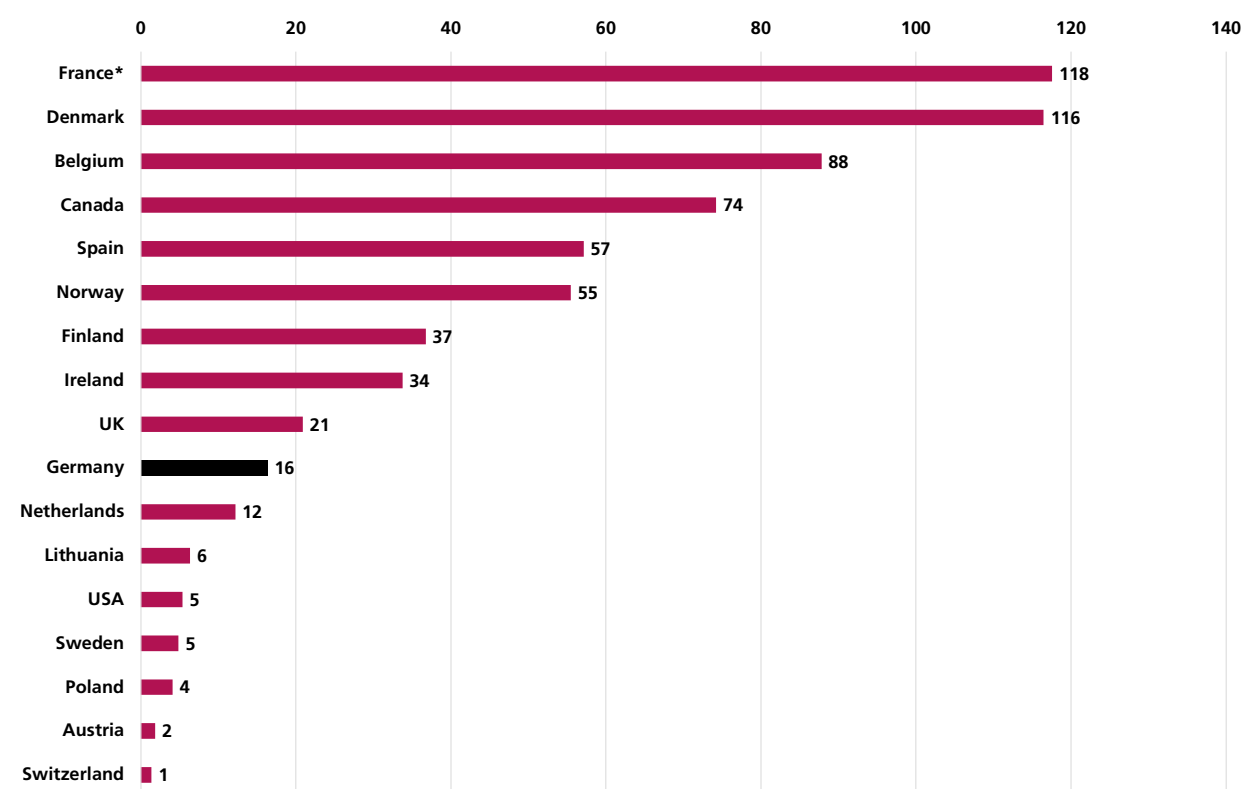
conducted in 2008 on behalf of the Hans Böckler Foundation, 80 per cent of all those questioned stated that they had never participated in a strike or a warning strike in their professional life (Dribbusch 2017). At the same time, industrial action has markedly changed since the mid-2000s. Three interlinked trends can be observed:

Firstly it can be said that, on the whole, the industrial relations in Germany have become more prone to conflict. Secondly, what is noticeable here is that the occurrence of industrial action has shifted to the service sector (Dribbusch 2017). Thirdly, this trend is – as already explained in the previous section – associated with the fact that groups of employees that were rather on the periphery of industrial action in the second half of the 20th century are now also prepared to go on strikes.

The amount of industrial disputes (defined as collective bargaining disputes with at least one work stoppage) has seen an increase since 2006 that reached its peak in 2012 for the time being, stagnating at a comparatively high level since then.¹⁷ In most years more than half of the industrial disputes have taken place in the service sector – see

¹⁷ The WSI considers industrial action to be any collective bargaining conflict in the course of which there is at least one work stoppage. For the years from 2006 to 2014, on the basis of the data available, only an approximate estimate can be given (Dribbusch 2018).

Figure 6
International comparison of relative strike volumes: days not worked due to strike and lock-out per 1,000 employees, annual average 2008–2017



* France: 2008–2016, private sector only.
Source: WSI based on national statistics; own calculation.

Fig. 7. Most of these conflicts are in the context of disagreements over in-house collective agreements. Frequently these are triggered by companies pulling out of sectoral agreements or refusing to be bound by collective agreements in the first place.

To what extent industrial action has shifted increasingly into the service sector can be seen in the long-term trend of its proportion of the total number of days not worked due to industrial action every year (see Fig. 8). Since the mid-2000s, on average around two thirds of all days not worked due to industrial action each year have occurred in the private and public service sector.

Since the mid-2000s, the trade unions' readiness for conflict has also increased in the service sector in particular. The trade unions came under pressure to the extent that the demands of private or public employers to backtrack on collective bargaining achievements left little room for manoeuvre in negotiations in terms of achieving positive results. Employees were less and less prepared to have compromises forced on them, to tolerate low wages or accept a lack of financial recognition for their work in the face of an increasing workload, and the active core groups in the trade unions called for organised resistance. Moreover, the fact that companies like *Amazon* are not even prepared to negotiate with unions is simply unacceptable to any trade union.

However, there has been fresh inspiration for the unions by becoming more open to conflict-oriented Anglo-Saxon campaign and organising approaches. Since the start of the 1990s, the continuing loss of members was no longer accepted as inevitable. On the contrary, the idea gained ground in the service sector that the fate of trade unions losing their foothold in the workplace and being unable to take industrial action is by no means sealed (Wohland 1998; Dribbusch 2003; Bremme et al. 2007; Koscis et al. 2013).

ORGANISING AS A STRATEGIC CHALLENGE

A stable and forceful membership base continues to be of critical importance for union strength and negotiating clout. Therefore, the greatest challenge for the German trade union movement has been and still is to keep up with structural changes and expand union presence in the sectors and workplaces to which the majority of employment is shifting. The focus is on the private service sector and small and medium-sized enterprises. Across these sectors trade unions are under-represented in the areas of salaried employees. It is not impossible to win new members here, as has been shown many times – there is neither fundamental animosity towards trade unions nor an image problem. The main structural problem is that, in an increasingly fragmented world of work, there are many establishments with no or hardly any trade union representation. In sectors consisting mainly of small establishments, the task of building up workplace representation structures requires a dis-

proportionately large amount of effort and is often barely manageable with the human resources available to the unions (Dribbusch 2003). The division of workers into what are known as core and periphery workforces, in full-time, part-time and »marginal part-time« employees, and the increasingly differentiated working hour regimes also make the development of joint solidarity much more difficult. The DGB has come to realize the importance of adopting more innovative approaches in view of these challenges.

The sustained decline in memberships from the mid-2000s has therefore, initially at ver.di and IG Metall, led to an opening up to campaign-based methods of trade union organising (Bremme et al. 2007; Wetzel 2013), taking on board the discussions and practices of trade unions in the Anglo-Saxon countries, which are, under different general conditions than those in Germany, aiming for a form of union organisation which is guided by the everyday struggles people are facing and where workers are approached personally to win their support and mobilise them. The correlation between trade union membership and conflicts in the workplace demonstrated in a number of studies provided important starting points for strengthening the involvement of members (Waddington 2014). Practical attempts to use such strategies – in the security services industry, in industrial cleaning, in retail, in hospitals and in the area of wind energy – have shown differing results so far: There have been some successful examples of trade union campaigns gaining a firm and lasting foothold, whereas, in other areas, even attempts at gaining new members were rather short-lived.

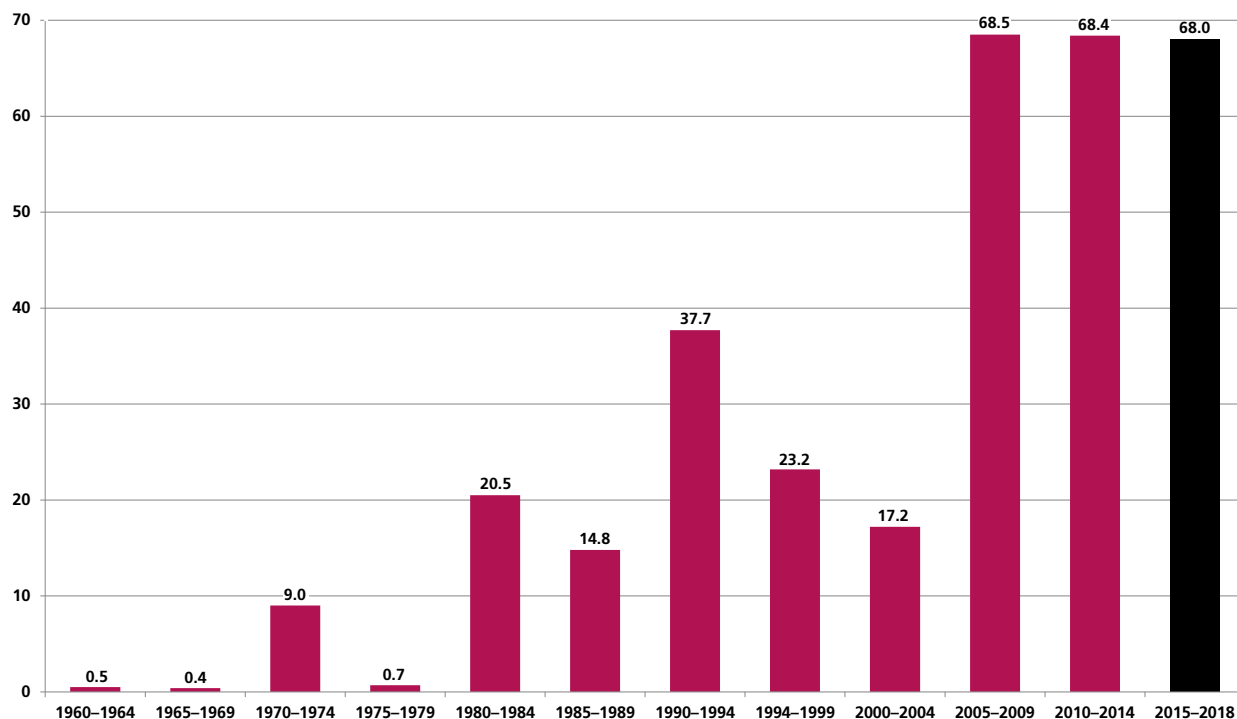
In a few previously rather poorly organised areas, such as local authority childcare services or industrial cleaning, a sustainable strengthening of the trade union base has been achieved by establishing a close link between organising and conflict-oriented collective bargaining. This approach found relatively broad support, especially at ver.di with its slogan »Organisieren am Konflikt« (Organising through Conflict) (Dribbusch 2011, 2016; Koscis et al. 2013). The idea behind this is the realisation that some of the key prerequisites for workers to organise themselves into trade unions are met in collective conflict situations, such as industrial disputes. In such situations there is a conflict which makes it necessary for people to act in unity. The opponent can be clearly identified and the union is much more actively approaching employees than at other times. The correlation between the mobilisation for industrial action and a positive trend in membership can be seen most clearly in municipal social and child care services, combined in ver.di in professional group 702 (see Fig. 9). The sharp rises in membership related to the collective bargaining rounds are particularly obvious in ver.di's regional district of Baden-Württemberg, which was already involved in a prolonged industrial dispute in the municipal public service in 2006 and was very active in the national strikes of the social and child care services in 2009 and 2015. Although the membership development usually slowed down again in the years following these events, the preceding increases were not cancelled out by that.

Figure 7
Number of industrial disputes 2006–2018*; whole economy and service sector (including printing and publishing)



* Up to 2014 data largely based on estimates, since 2015 data harder due to additional web-based research.
 Source: WSI Collective Agreement Archive based on trade union information and own research.

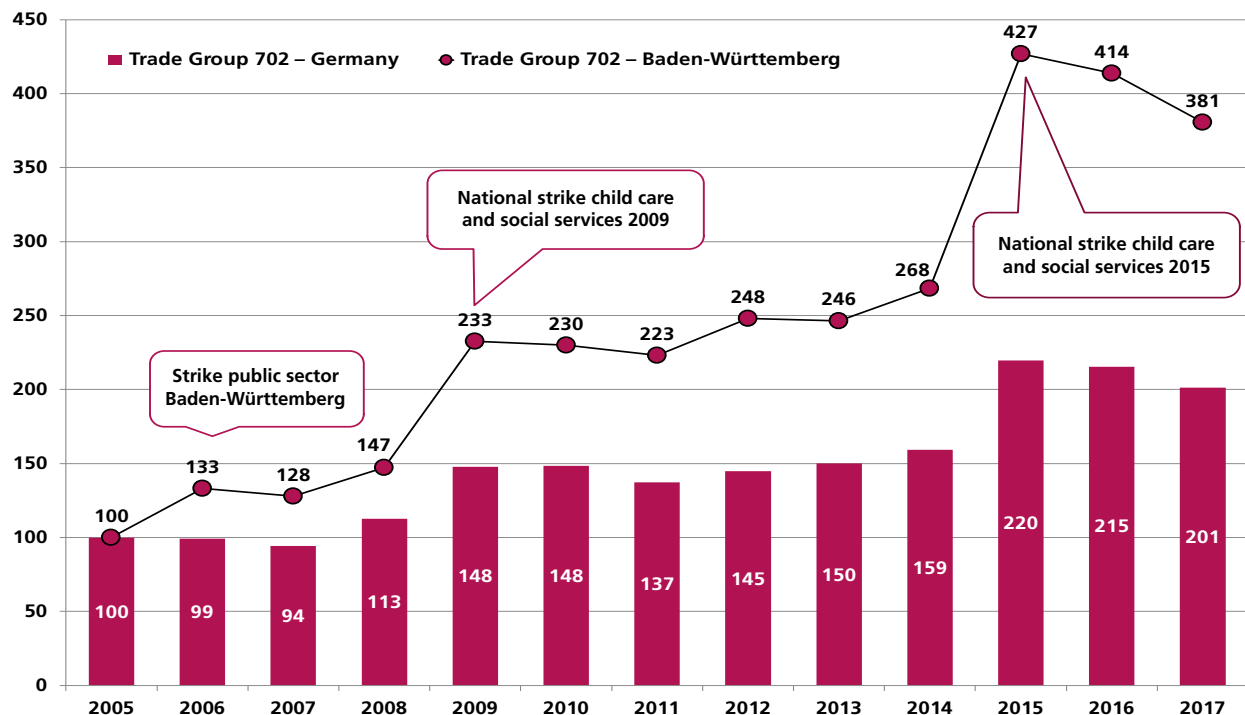
Figure 8
Days not worked due to industrial action: Proportion of service sector 1960–2018* (in %),
 (five-year averages; 2015–2018: four-year average)



*Service sector including printing and publishing.
 Source: Federal Employment Agency (BA), various years; own calculation, 2018 estimated.

Figure 9

Ver.di: membership development trade group 702 (social services, childcare and youth services) 2005–2017
(Germany and Baden-Württemberg indexed, 100=2005)



Source: ver.di; own calculation.

Alongside its organising concept, ver.di pursues with some success an approach which is described as »conditional collective-bargaining« (bedingungsgebundene Tarifarbeit) (Dilcher 2011). This is oriented towards individual establishments and companies without collective bargaining agreements where unionisation is generally poor. In contrast to the usual approach, the trade union openly admits to its poor organising performance and explains to the workforce that, to have any chance of success in a dispute over a collective agreement, it is crucial that enough workers become unionised beforehand. This concept also includes a clarification of the questions as to which demands are actually the most important to employees and for what a sufficient part of the workforce is prepared to enter the dispute. An organising process designed in this way requires a determined core of activists which plays a central role in the planning and implementation of the individual steps. This approach has been tried and tested particularly in a number of privatised hospitals and has contributed to the fact that it is precisely here, in the health sector, that ver.di has seen a positive membership development since the end of the 2000s.

Although various, sometimes remarkable, successes have been achieved in individual sectors and establishments, these approaches have proven to be resource-intensive, and it has become clear that it is difficult to bring about a change in the membership development across the board through that alone. Retail serves as an example of the problems involved. Germany's largest food retailer EDEKA, for example, has assigned a large number of its branches to private traders. As a

result, in 2015, approx. 6,000 individual owner-managed businesses operated under the EDEKA label, and, according to the trade union, only one to two per cent of these had a collective agreement and a works council (ver.di National Congress (Bundeskongress) 2015, 65). A similar fragmentation into micro-businesses can be observed in other grocery chains, too. With the organising methods used previously, trade unions rapidly reach their financial and staff limits under these circumstances. It is therefore very important that organising is carried out, as far as possible, by employees and active members themselves, as successfully done at fashion chain H&M (Fütterer/Rhein 2015). The situation becomes even more difficult if, as in the case of the construction industry, there is so much change in such a short space of time that the union (in this case IG BAU) rapidly loses all its traditional strongholds. Where major building companies are transformed into service businesses which are no longer engaged in any construction work themselves, but simply appoint a chain of sub-contractors and sub-subcontractors to do the work for them, it becomes extremely difficult to adjust any attempts to organise the workforce to these developments.

In the industrial sector, IG Metall started to adopt new, member-oriented and campaign-oriented approaches in the 2000s. The scope of this study allows us to only touch on two of the numerous initiatives taken here. The first example is the temporary agency work campaign (Dribbusch/Birke 2014). In 2007, IG Metall had become increasingly aware that they had to rethink their position on temporary agency work – not least to prevent the sectoral collective

agreements of the metal and electrical industry from being undermined by temporary agency work. Previous attempts by the DGB trade unions to improve the material working conditions in the temporary agency work sector by concluding collective agreements with the employer associations of the temporary employment agencies, had been, as IG Metall realised, unsuccessful. The conclusion from this was a campaign which started in April 2008 under the motto of »Gleiche Arbeit – gleiches Geld« (Equal Work – Equal Pay). What was new about this campaign was that the trade union shifted the focus from the collective bargaining level to the company level. The aim was to approach agency workers directly to unionise them. In parallel with this, the campaign was used to encourage the relevant works councils to work actively for the interests of agency workers and – wherever possible – to conclude what are known as »Besservereinbarungen« (improvement agreements), to bring the pay of agency workers up to the hiring company's wage level. In the end, this campaign not only resulted in the negotiated regulations on supplementary pay for temporary work mentioned above, but also shifted the focus of workplace organising much more to agency workers.

In the wind energy sector, IG Metall conducted an extensive organising campaign from 2010 to 2012, during which various organising methods were tested as showcases (Dribbusch 2013). Three key objectives were achieved with the campaign. IG Metall was established as the competent trade union for the wind energy sector. Trade union representation of interests was established and expanded in numerous establishments. And, in a showcase dispute, the union succeeded in reintroducing collective bargaining coverage, after years without it, at a major German wind turbine manufacturer. A later attempt to organise the largest manufacturer of wind turbines, the company *Enercon*, was only partially successful however. Although organising was successful at quite a few assembly plants of the group, no significant breakthrough was achieved in the actual manufacturing plants (as at summer 2018). At the same time, insolvencies and site closures as a result of transformations in the wind energy sector meant that some of the successes achieved up to 2012 were undone over the following years. What the efforts in the wind energy sector had shown is that long-term success requires a lot of staying power. In the following years, IG Metall's main focus of attention was, firstly on establishments where relatively large parts of the workforce were not organised, although IG Metall had already some presence, and, secondly, on supply and logistics businesses related to the large automotive manufacturers.

In 2015, the board of IG Metall approved a total of €170 million for a series of various organising projects over nine years, starting with one of the first sector-wide trade union development projects in Baden-Württemberg. A total of 140 organisers selected by the union and trained in their tasks were appointed for these projects. This is by far the largest such campaign created by any of the German trade unions. The progress made in various regional and local projects is continuously evaluated, so readjustments can be

made, where necessary. Initial appraisals and interim results of the projects in 2017 were positive (IG Metall Baden-Württemberg 2017; Schroeder et al. 2019). They also showed however that changing everyday practice in the local trade union structures is an onerous and difficult task.

The approaches of both ver.di and IG Metall have one thing in common: They all stress the importance of including and involving members in building up trade union structures. One instrument to achieve this is to conduct more member and employee surveys (Hassel/Schröder 2018). On the one hand, these are used to find out where employees and members see their priorities in relation to the improvement of working conditions. On the other hand, they help to mobilise employees and retain members. Another important instrument is the closer involvement of members and activists in the preparation and implementation of industrial action. Particularly at ver.di, various activating forms of industrial action have been tried and tested since the mid-2000s (Seppelt 2014). The involvement and activation of members in industrial action and the associated greater communication efforts provide an opportunity for making industrial action more effective. However, they also present an internal organisational challenge, as decision-making becomes more complex and negotiating results are usually scrutinised with a particularly critical eye by striking union members.

5

WORK IN TRANSITION: DIGITALISATION AND RATIONALISATION

Technological changes and rationalisation have demanded the attention of the German trade unions not only in recent years, but in earlier decades too. Yet the so-called digital transformation enabled by new technologies has accelerated the pace of change since the mid-2000s, as the changing world of communication and media shows. »Industry 4.0« and »digitalisation« are the most-frequently used key words in this context to signal a radical transformation of industrial work as well as the service sector. The term »Industry 4.0« coined at the Hanover Trade Fair 2011 is meant to indicate that, following the third industrial revolution characterised by the introduction of information technology (IT), we are now experiencing a fourth industrial revolution, which is essentially about the »interconnection of the virtual-digital and physical world and machine learning in production« (IAB 2015). The DGB trade unions perceive the task of supporting this process of digital transformation with appropriate policy measures at industrial and workplace level and in collective bargaining as one of their greatest current challenges. »The entire world of work, societal interaction and even individual lifestyle choices are being transformed by digitalisation«, commented the chair of IG Metall at the union's *Transformation Congress* dedicated to the challenges of digitalisation in October 2018 (Hofmann 2018).

DIGITALISATION SCENARIOS

At the centre of trade union concerns are therefore the feared negative rationalisation effects and associated job losses, although the forecasts on this are anything but certain. For example, the Institute for Employment Research (IAB) (2015), which is part of the Federal Employment Agency, forecast that by 2025 around 490,000 jobs will be lost primarily in processing industries, while elsewhere, not least in the service sector, 430,000 new jobs will have been created. This would mean, according to the IAB, a modest loss of only 60,000 jobs in total, while the trend of a shifting focus of gainful employment towards the service sectors would also continue. According to the study, what is taking place is above all a major replacement of professional fields. In production companies the jobs most at risk of disappearing are so-called simple tasks which require a minimum of training time. However, this raises the question of whether the employees who lose their jobs will be the ones to occupy the new jobs that emerge elsewhere. At the same time, Industry 4.0 and digitalisation

entail a new organisation of work and new opportunities for management to control employees (Jürgens et al. 2017).

Both industrial and service sector work are affected by the digital transformation, albeit in different ways, of which only a few can be outlined here by way of example.

As Frank Iwer, Head of Strategic Planning at IG Metall, said in 2018 with regard to the automotive industry, Industry 4.0 will give companies new opportunities of cross-site and cross-country manufacturing control in the context of global production networks as well as new flexibilisation and automation opportunities. The technical transformation in the automotive industry is supported and enabled by the digital transformation in mechanical engineering, which is taking place at the same time (IG Metall 2018a). The new developments here include driverless transport systems and automated goods and material transport systems within production. Control systems that allow more and more machines to be operated by just one employee are becoming increasingly common in the workplace. At the same time, new ways of monitoring performance and behaviour in every detail are emerging as a result of constant capture of data. The ensuing changes affect those employed in mechanical engineering as well as those who later use the products they create.

In addition, Industry 4.0 design concepts are also being tried out and applied in other industries. For example, under the catchphrase »Smart Food Factory«, the production of foodstuffs is being automated (Frerichs/Steinberger 2018), such as the manufacture of baked goods. Here, too, implementation is mostly still at an early stage and primarily limited to systems control and process optimisation. Beyond production, however, interconnection with customers and end users is also an objective of these innovations – an aspect that plays a role in other sectors too.

The service sector is very varied, and so are the effects and prospects of digital transformation and »Industry 4.0« concepts, largely intersecting with industry in some areas. Nowhere is the transformation so obvious as in transport and logistics. If driverless trains and trucks were indeed to become reality in the foreseeable future, the consequences would be huge. As it stands, there are still quite a few obstacles to be overcome before this can happen, not least in terms of public acceptance. This also applies to the mass use of drones for

postal deliveries. What has already been implemented for quite some time now are new logistics concepts which have massively changed traditional warehousing. The best-known example is Amazon's massive dispatch warehouses, where thousands of workers are almost tied up to an electronic chain, with their every move being monitored (Boewe/Schulten 2015).

Traditional retail is under massive pressure due to online shopping. Checkouts at which customers scan in their goods themselves are becoming ever more widespread. Completely cashless forms of shopping are being tested. Customers are therefore performing more and more unpaid work themselves. Similar changes have occurred in the banking and insurance sector as well as in postal services, where branch closures and cuts in services were sold to customers as an opportunity to free themselves from the restrictions of opening hours by making their own transactions in their own time online. Most of the consultation and processing work that service providers have not been able to offload on their customers has long been outsourced to call centres, which have their own rationalisation processes in place (Holst 2011, Holtgreve 2006). Across all sectors, digitalisation also creates extensive opportunities for restructuring office, accounting and administrative work.

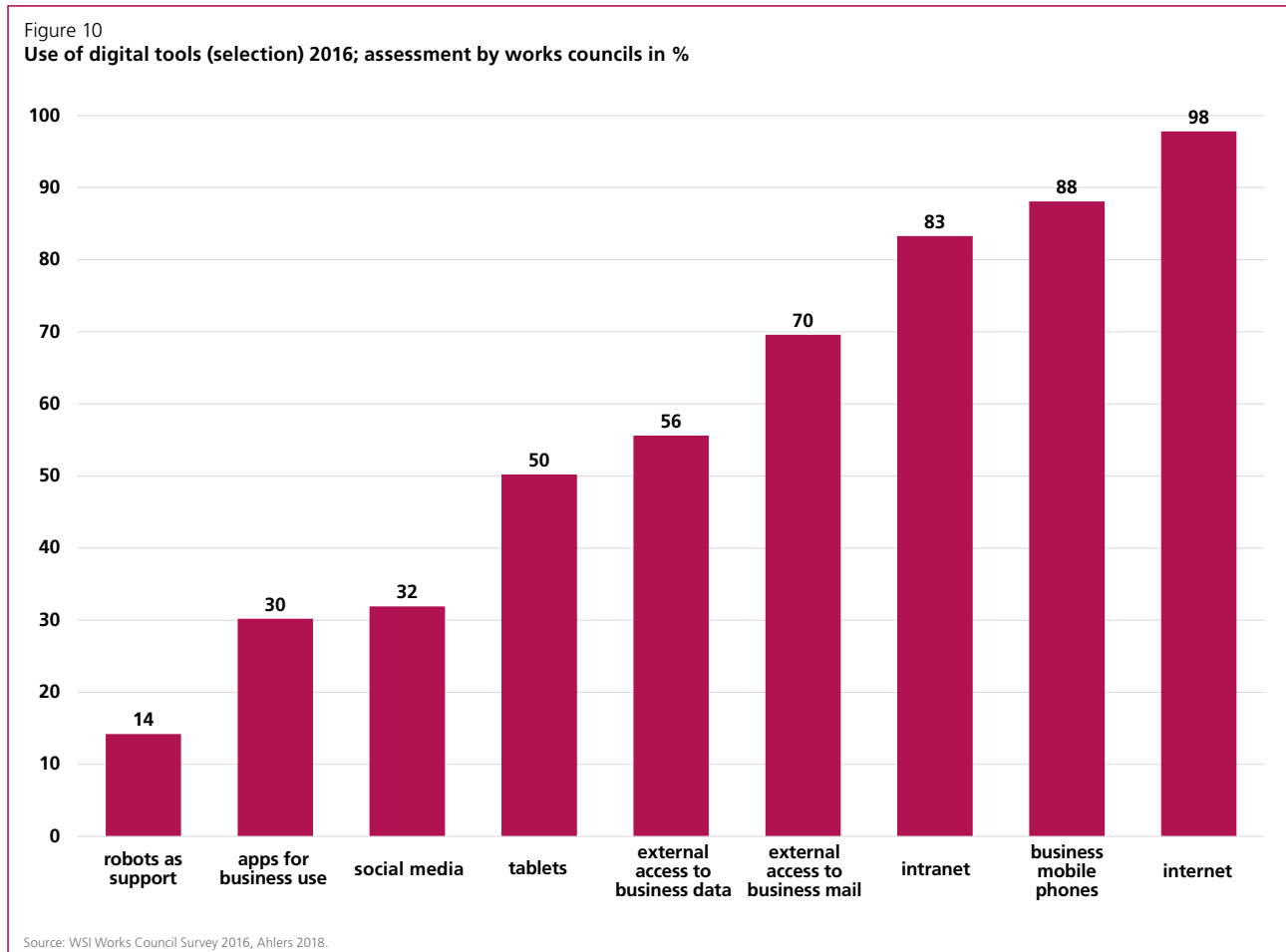
The healthcare sector is also in the process of fundamental reform, which affects not only medical care and services, which have been transformed by computer-aided diagnostic and

surgical methods, but also the area of nursing care. Digitalisation is still in its infancy here though, not least because many hospitals balk at making big investments (Baldauf/Wilke 2017). The key areas affected so far have been patient management and care planning. If nothing changes in the general staffing, further increases in workload are to be expected here.

Finally, a relatively new phenomenon which plays a role not only in service sectors but also in industry is what is known as the platform economy (Greef/Schroeder 2017; Jürgens et al. 2017; Bormann/Pongratz 2018). This comprises various forms of work and employment all of which have in common that they do not constitute an employment in the traditional sense. Instead, as in crowdworking, the workers themselves create a platform or work as independent solo self-employed in the service of a platform operator. The global taxi company Uber and the numerous delivery services are the most publicly visible businesses of this type.

THE SITUATION IN THE WORKPLACE

In many establishments computer technology and digital applications have become part of everyday life, as can be seen from the works council survey conducted by the Institute of Economic and Social Research (WSI) in Düsseldorf in 2016 (Ahlers 2018) – (See Fig. 10).



According to the works councils, the Internet is used in 98 per cent of establishments and business mobiles in 88 per cent, but so far only a minority have been using robots to support human work. There are great differences between sectors. Whereas in 36 per cent of the capital goods industry and in 30 per cent of the production industry robots can be found to support human work, they are only present in 8 per cent of enterprises in the business-to-business services sector. According to the works councils surveyed, robots completely replace human work in 6 per cent of all cases, particularly in the capital goods industry, where the rate is as high as 15 per cent. In 2016, crowd-ordering or ordering from sub-contractors – via the Internet – was common practice in 4 per cent of establishments, whereas in 11 per cent of establishments it was moderately popular.

The views about the effects of digitalisation varied among the works councils surveyed in 2016, with many indicating that the effects were positive or that there were no effects at all. Here, too, however, there were significant differences depending on sector – see Table 12.

All in all, in 2016, more than three quarters of works councils found that the workload had generally increased since 2011 (Ahlers 2018, 12). A representative survey of employees also conducted in 2016 on behalf of the DGB (DGB

»Gute Arbeit« (Good Work) Index 2017) delivered a mixed result in relation to the effects of digitalisation. Among the employees who, according to their own statements, are highly or very highly affected by digitalisation, 48 per cent responded that their workload had increased, 45 per cent could not tell any difference and 8 per cent said that their workload had decreased.

The works councils are attempting to counter the effects of digitalisation by means of works agreements. According to the WSI Works Council Survey (Ahlers 2018), in 2016, every second business where the use of computer-controlled time targets or KPIs is widespread had rules in place to restrict behaviour and performance monitoring. The issues where works councils see the greatest need for action are ensuring sufficient staffing levels and curbing the increases in workload as well as job security and qualification – see Fig. 11.

As several existing agreements show, digitalisation can be regulated (Maschke et al. 2018). However, the demands on works councils as well as their need for advice have increased. One of the challenges in this respect is the high speed of innovation, which means that existing rules and regulations have to be updated continually to ensure that they are not overtaken by reality shortly after they are introduced.

Table 12
Effects of digitalisation according to the works councils

	Predominantly positive effects	Predominantly negative effects	No effects	No data
Finance and insurance	30	30	33	7
Capital goods	36	17	45	2
Mining / production industry	38	14	45	3
Public services, education / schools	39	11	46	4
Transport / hospitality sector	41	15	43	1
Trade	42	16	42	0
Business-to-business services	43	15	38	4
Construction	44	18	36	2
Information / communication	46	12	37	5
Total	40	15	42	3

Source: WSI Works Council Survey 2016, Ahlers 2018, 10.

TRADE UNION RESPONSES

In a policy paper adopted in 2015 under the title »Gute Arbeit und Gute Dienstleistungen in der digitalen Welt« (Good Work and Good Services in the Digital World), ver.di points out that digitalisation could also be an opportunity to improve working conditions, if it was shaped in the interest of employees (ver.di 2015). The trade union therefore demands comprehensive co-determination in the workplace with regard to all digitalisation processes, protecting jobs, comprehensive qualification measures, occupational health & safety adapted to the new requirements and more comprehensive protection of employees' privacy. These demands are also made in a similar form by IG Metall. At company level, IG Metall is aiming to shape digitalisation in a way which enables more self-determination and individual flexibility.

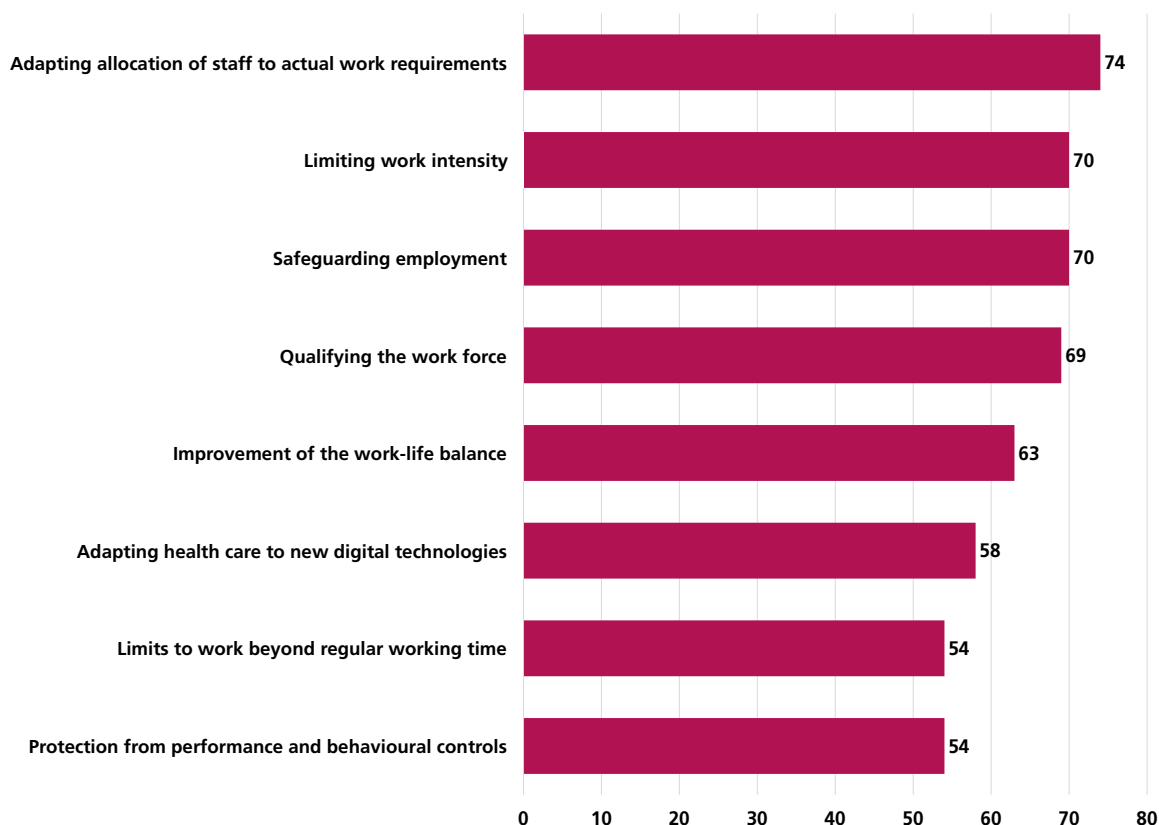
For IG Metall, the transformation driven by digitalisation is linked to the upcoming ecological restructuring of the automotive industry, which is centred on the transition from the combustion engine to the electric motor. This technological change will entail considerable alterations as there are far fewer parts needed in the construction of an electric motor than for a conventional engine (Iwer 2018, 95–96). The trade union is trying to influence the way in which the transformation of the metal industry will unfold on many levels, with corporate and workplace policy as their central area of action (ibid. 100).

A major focus of both IG Metall and ver.di is platform work. In the context of a government-sponsored project network called Cloud & Crowd (www.cloud-und-crowd.de), among others, IG Metall has been looking into the question of how the concepts of cloudworking and crowdworking are transferred to production-related services.

The unions are also particularly concerned with the solo self-employed, who numbered around 2.3 million in 2018. Ver.di set up a separate consulting structure for this group and, in 2017, organised around 30,000 in the trade union (Haake 2017). The fact that the number is not higher than this, is, according to ver.di's own account, due to a lack of clear signals that the solo self-employed are actually welcome in the trade union (Haake 2017, 66).

In view of the solo self-employed, ver.di is calling for comprehensive social regulation of new forms of work, including the demand for the solo self-employed to be covered by social security. The customers of the solo self-employed would then have to pay their share of social security contributions (ver.di 2015). It was not least at ver.di's instigation that the statutory minimum contribution was lowered from 1st January 2019, which means that on an income of no more than €1,142 per month, the monthly contribution will only be €171, whereas previously it was twice as high. For the solo self-employed on low incomes this is a significant

Figure 11
Where do works councils see the greatest need for action?
 (figures in %; multiple answers were possible)



Source: WSI Works Council Survey 2016, Ahlers 2018.

improvement. In 2016, 40 per cent of this group earned less than the minimum wage (Diebes 2018).

With a large number of training events and seminars, ver.di and IG Metall are both trying to take the debates on the consequences of Industry 4.0 and the digital transformation, as well as the associated regulatory requirements, into their trade unions and into the workplace. Under the heading »Miteinander für morgen« (Together for Tomorrow), IG Metall organised the *Transformationskongress* (Transformation Congress) mentioned above, which primarily addressed the works councils and where over 600 participants discussed the effects of the impending transformation and what actions could be taken in view of this. It is planned to compile so-called *transformation maps* in order to get a comprehensive picture of the current situation in as many establishments as possible, which can be used to analyse the problems, initiate regulatory measures, and develop ideas of how to shape the future workplace (Benner 2018). The first examples of shaping digital transformation in the workplace had already been evaluated and published in the run-up to the Congress (Mühge 2018).

As initial studies have shown, the obstacles to be overcome in the practical implementation of regulations in the workplace can be considerable. And there are not only obstacles on the management side but also on the works council side. The latter are often unwilling to engage in the extra work involved in attempting to implement new regulations and need to be convinced of the benefits first (Haipeter et al 2018). With these topics, works councils are also heavily reliant on direct support from the trade unions because: »Was man nicht kennt, kann man nicht regeln« (You cannot make rules for what you don't know) (Matuschek/Kleemann 2018). An observation made in food manufacturing, which is likely to become increasingly significant in other sectors and for other topics, too, is the following: Co-determination is made more difficult by the centralisation and internationalisation of group structures, as contacts that have decision-making authority are no longer available.

The organising of employees in the platform economy is still largely uncharted territory for ver.di, as for most other DGB trade unions. In 2017, in various locations, the bicycle couriers of Deliveroo and other food delivery businesses began organising themselves, with support from the competent DGB affiliated trade union, NGG.

6

OUTLOOK

Trade unions in the Federal Republic of Germany are currently confronted with a range of challenges. For several years now, industrial relations have been going through fundamental changes and the role of works councils has grown – the wide spread use of opening clauses in collective agreements translated into new tasks for works councils and daily work has become more demanding. The collective bargaining system has been greatly decentralised, while several sectors of industrial work and service provision are now without any collective representation of interests at all. The positive reference to different organising models has put established trade union approaches to the test and has, in some cases, successfully changed them. However, the decline in membership could not be stopped everywhere. But unions cannot be written off yet, and our overview shows that the public perception of trade union policy on issues such as the introduction of the minimum wage or restriction of temporary agency work is positive. Not only do industrial disputes in municipal child care and in hospitals help to improve the membership base in these areas, but campaigns for better pay and working conditions in the care professions also address the topic of the quality of social services, which are vital to very large parts of the population. Finally, there is much support for the efforts made to ensure that the flexibilisation of work is not being pursued one-sidedly in the interests of the management only, and that the interests of workers, who want and need more individual choices in terms of working hours, are also acknowledged. Not everything can be achieved at first go. The conflict with Amazon over a collective agreement that has been dragging on for years illustrates just how much staying power is often needed on the part of employees and their trade unions.

However, there are not just the old challenges that continue to be faced, new ones have also emerged. The ecological crisis, climate change and the fact that these issues are putting the existing expansive model of capitalist production into question are of great importance to German trade unions, but they are also topics on which the unions are still struggling to find their own point of view and appropriate answers (Urban 2018). At a time when the combustion engine and the mining of coal is in many places already seen as an anachronism, focusing on job security in the export industry alone can hardly be the answer to the question of how to reconcile ecological and social sustain-

ability. And this is by no means the only issue where trade unions are faced with the task of winning political ground which used to be solely the domain of political parties and NGOs. Another such issue is the housing policy, for example. In view of the widespread housing shortage, many union members in major cities will probably find this issue just as significant as labour and wage policy in a narrower sense. Finally, this study also discussed the question of the shaping of the »fourth« industrial revolution. It remains to be seen whether the current concepts of trade unions can rescue co-determination and the scope of action of works councils and employees into the 21st century.

Today, trade unions must respond to a multitude of present and future problems. At the same time, and in spite of the ensuing complexity of the issues at stake, they must be preserved – and sometimes also developed – as member organisations. In this study we were only able to outline a few of the tasks relating to this aim. However, not least in the light of internationally perceptible threats, trade unions remain a decisive pillar for the defence of democratic achievements.

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TRADE UNIONS IN GERMANY

Challenges in a Time of Transition



The general conditions for trade unions in Germany after the global crisis of 2008/2009 have improved. The economy has recovered and unemployment has fallen sharply. Trade union concerns, such as improvements in education and care professions, more individual opportunities to choose working hours or the fight against low wages, have enjoyed broad support in society. On the other hand, the increasing precariousness of employment has not fundamentally changed. Collective bargaining coverage is still in decline. Only a minority of employees are still working in businesses in which there is both collective bargaining coverage and a works council. Organising the unorganised remains a core task of trade unions, most notably in the private service sector.



The migration brought on by the global flow of refugees touches on the question of trade union solidarity. Businesses cannot escape society's relentless shift to the right. Trade unions must prevent right-wing and openly racist positions from taking a foothold in the workplace. The ecological crisis, climate change and the demand for a »just transition« are huge challenges facing the German trade unions, especially at a time when the combustion engine and coal mining are already seen as an anachronism. Focusing on job security in the export industry alone can hardly be the answer to the question of how to reconcile ecological and social sustainability.



The transformation of the world of work through digitalisation, dealing with the social consequences of this transformation and reshaping the working and employment conditions are key issues to be addressed by current trade union policy. The trade unions are calling for co-determination in the workplace with regard to all digitalisation processes, protecting jobs, comprehensive qualification measures, occupational health & safety adapted to the new requirements and the protection of employees' privacy. The organising of employees in the platform economy is still largely uncharted territory for most trade unions.

Further information on the topic can be found here:
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