

Industrial Relations in Germany

Constitutional principles of German Trade Unions

- The DGB's members are unified trade unions and fight for democracy and human rights and are opposed to political extremism.
 - They have no allegiance to political parties or religious denominations. They are politically independent but not neutral.
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Aims and tasks

- Trade Unions represents workers interests
 - on company level toward employer
 - on branch and sectoral level toward employer association
 - on political level toward government and parliament
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Tasks of the DGB

- As the trade union umbrella organisation, the DGB represents the German trade union movement in dealing with the government authorities at federal state and national level, the political parties, the employers' organisations and other groups within society.
 - The DGB coordinates joint demands, themes and campaigns for its 8 member unions. It supports them in industrial disputes, advocates their interests vis-à-vis politicians and the general public.
 - The DGB itself is not directly involved in collective bargaining and cannot conclude pay agreements.
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Tasks of the DGB international

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- The DGB is a member of the European Trade Union Confederation (ETUC) and the International Trade Union Confederation (ITUC), Trade Union Advisory Committee to the OECD (TUAC)
- It represents the German union movement with international institutions such as the EU, the United Nations, the ILO, international finance institutions (IWF and Worldbank) and the World Trade Organisation (WTO).

Tasks of affiliated unions of the DGB

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- The affiliated unions of the DGB negotiate collective agreements with the employers, e.g. for income, working hours or holiday.
- In cases of labour disputes they organise strikes and pay strike support to their members.
- They help with the foundation of work councils.
- They support employees during company conflicts and represent them during disputes with their employer.
- Union members enjoy free legal protection.

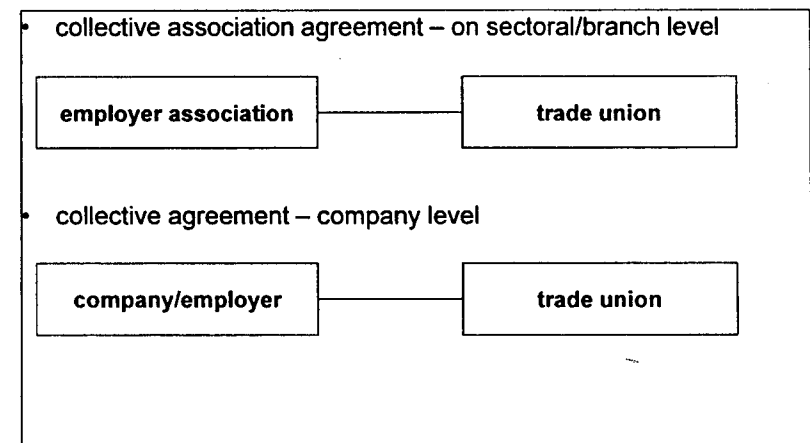
Legal basis

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- German constitution - Art. 9 section 3
 - freedom of association
 - right for collective bargaining
 - Right to strike
- Collective Agreements Act
 - rights and duties of signatories
- Works Constitution Act (1972)
 - Co-determination through the works council (Betriebsrat) – representation of workers interests
- Co-determination Act (1976)
 - Co-determination through the supervisory board (Aufsichtsrat) on Company & Group Level

Signatories of collective agreements

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Collective Agreements

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Round about **73,900** valid collective agreements

- 50 % association agreements, mainly at regional and branch/sector level, 50 % company agreements
- No national minimum wage but several sectoral minimum wages
e.g. waste management, construction sector, roofing trade, industrial cleaning
- 478 are declared generally binding

Collective agreements on wage

height of wages, apprenticeship pay, height of bonus

runtime: mostly one year

Basis collective agreements

general working conditions like working time, holiday duration and money, overtime, overtime premium, Sunday and bank holiday

runtime: several years

Collective agreements on wage framework

description of wage groups by description of tasks, description of task wage and incentive wage

runtime: several years

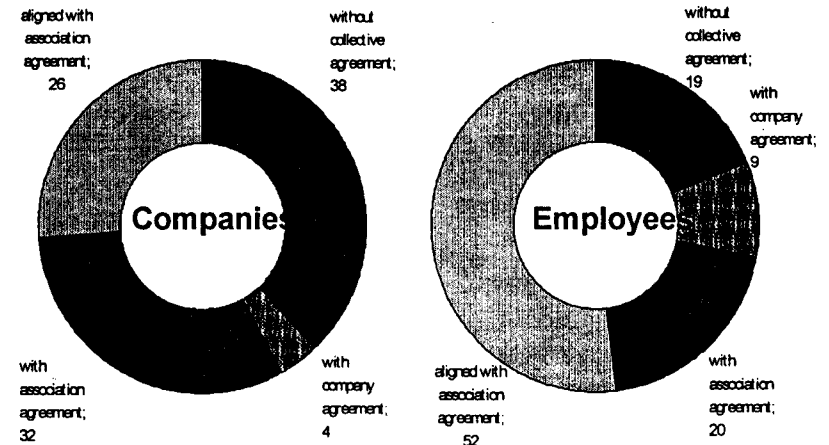
Specified collective agreements

for example remuneration protection, agreements for older employees, Christmas bonus

runtime: several years

Adherence to collective agreements

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The freedom of strike

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- Collective bargaining without the right to strike is not more than collective begging (German Federal Labour Court)
- There is no legal code for collective action. The right to strike is derived from the freedom of association in the federal constitution
- The Principals of a strike are:
 - As matter of last resort (ultima ratio);
 - The aim is solvable by a collective agreement;
 - Not during the runtime of a collective agreement (peace obligation);
 - Only Trade Unions are able to call out on strike after strike vote;
 - Trade Unions have to pay strike benefits.
- No right of political strike!

Co-determination

Works Council

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- WCs may be elected in establishments with more than 5 employees;
- The initiative for setting one up lies with the employees of the establishment, although they may be supported by a trade union;
- All employees over the age of 18 who have been employed for more than 6 months are eligible for election;
- Term of office is 4 years;
- If an undertaking comprises more than one establishment, a central works council, comprising of members of the individual WC, must be formed;
- In a group of companies a group works council may be established by resolution of the individual WCs;
- 13% (2008) of all companies have work councils
- 41,5 % (2009) of all employees are covered by works councils

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Works Council Rights

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- Members of WC have a special dismissal protection;
- In establishments with more than 200 employees members of WC can be exempt from their job-related tasks without a reduction in salaries;
- WCs have various information, consultation and codecision rights;
- WCs can negotiate agreements at the level of establishment but they cannot agree on collective agreements;
- However, increased importance in wage and working time question in the framework of exemption clauses in collective agreements.

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Trade Union Representation at the Level of Establishment

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- Trade Union representation relies strongly on the sector and the establishment;
- Union workplace representatives are not covered by law;
- Union workplace representatives are elected by trade union members in the respective establishment;
- They take care of the trade union members, support the work of the works council and represent the interest of the trade union at the level of establishment;

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Company and Group Level Co-determination

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- Co-determination rights at the supervisory board (Aufsichtsrat)
- The supervisory board:
 - Approves the appointment of management board members and is also responsible for their employment contracts, including salaries;
 - Monitors the management board's management of the company's business operations
 - Co-determination in business operations requiring supervisory board approval
 - Scrutiny of annual accounts
 - Duty of care and confidentiality

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Thank you for your attention!