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Pro-active Response of the German trade unions to Industry 4.0 - large Scale Trade - Union Experiments

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Structure of presentation

1. Declining membership but high institutional power

2. The role of experimentation in pro-active trade union policy

3. „Work 4.0 - North-Rhine-Westphalia 2020“
1.1 Declining membership - high institutional power (IP)

Declining *organisational power (OP)* of German Trade Unions:
- Trade Union Density: 36 % in 1991 - 17 % in 2016
- Coverage by CA’s: 90 % in 1990 - 59 % in 2016

Outcome:
- High OP remaining only in some core sectors (*manufacturing and public service*)
- In other industries
  - Shrinking union budgets, loss of power to bring employers on the bargaining table
  - Erosion of autonomous CB and dualisation of the labour market
1.2 Declining membership - high IP

But high IP through codetermination at plant and company level

1. Supervisory boards with employee representatives in 635 companies
2. Works councils:
   - Strong rights of codetermination
   - Ressources to carry out their duties (release from work, additional staff, access to professional advice, further training in trade union training centers at the employers costs etc.)
   - 174,000 German works councillors (WC) were elected on a voter turnout of 80% – most of them trade union member
   - Around 8,400 WC’s released from all work
   - 80% of works councillors union members
1.3 Declining membership - high institutional power

- IP = temporary protection of multi-employer bargaining
- With declining OP only a question of time until historical compromises on IP are challenged
- Already continuous attack on German codetermination at company level by the EU *(mainly by facilitating the delocation of the legal units in other EU countries)*

**Strategic use of IP in core industries question of survival for unions**

**Goal:** activation of WC’s and increased participation of union members and employees
- Traditional model of representative WC’s with passive members *not regarded as future proofed*
2.1 The role of experimentation in trade union policy

“Unions can have power resources [...] but are not particularly skilled at using them” (Lèvesque/Murray 2010)

Not totally true for Germany:
- Highly professional support of members in supervisory boards and WC‘s (training, professional advice)
- Successful national campaigns on the implementation of CA‘s on working time reductions in the 80‘s and 90‘s and on new classification systems in 2000s

But: still many passive and too compromising WC‘s
- and continuous need „to replenish the stock of narrative ressources“ (Lèvesque/Murray 2010)
2.2 The role of experimentation in trade union policy

New approaches

1. Internal union reforms
   - Example IG Metall: staff-reduction in headquarter to free resources for new approaches
   - Use of these resources for campaigns and projects (mainly organizing projects, campaigns like "Work – Fair & Safe" for temp agency workers and also experiments)

But: Freeing resources only possible for the "rich" unions
2.3 The role of experimentation in trade union policy

2. Participative collective bargaining:
- Negotiation of working time options
- German Railways 2017:
  - Options for 130 000 employees: Wage increase or WTR’s
  - 56% voted for 8 free days p.a., 2,6% for weekly WTR, 41,4% for wage increase
- Engineering industry 2018 new options for 3,8 Mil employees
  - temporary WTR to 28 hrs without wage compensation
  - shift workers can take the new annual bonus in cash or in 8 free days (seems that more than 80% vote for WTR until end of October 2018)
- New narrative: flexible WT over work-life
- Votes all two years: continuous involvement of unions

Strong WT-preferences surprise for unions and employers
2.4 The role of experimentation in trade union policy

Experiments – IG Metall North-Rhine-Westphalia:
- Development of alternatives to outsourcing and staff reduction with the help of external consultants
- Own resources but also supported by EU structural funds

Our evaluations shows
- successful cases but development of alternatives in a defensive situation difficult – need to start earlier (Lehndorff et. al 2018)
3.1 Project „Work 4.0 - North-Rhine-Westphalia 2020“

Basic ideas:

- **Focus on delocation and redundancies to late** („end of the pipe“)
- **Focus on overall restructuring of companies and chain of value added needed to react early enough**
- **National hype on industry 4.0** - management also concerned how to manage digitalisation – open to cooperation
- **Improving of trade union cooperation**: joint project of IG Metall with the Chemical (IGBCE) and the Food workers union (NGG)
- **New narrative „YES WE CAN SHAPE THE FUTURE OF WORK“**
3.2 Project „Work 4.0 - North-Rhine-Westphalia 2020“

- **Ressources:** (1) Own „Work 4.0“ team (only IG Metall 5 FT officials), (2) State money for consultants, (3) Hans-Böckler-Foundation financed evaluation
- „Work 4.0“ team identified companies with pro-active works councils and interested management – both signed a letter of commitment
- In 2017/8: 6 - 8 all day workshops in 28 companies with the help of consultants:
  - Stock-taking of digitalisation of 4.0 in all departments
  - Involvement of employees as „experts of their workplaces“
  - Mapping of problems and chances
  - Development of pro-active strategies - if promising additional workshops are financed
3.3 Company map of industry 4.0

Betriebslandkarte Arbeit und Industrie 4.0

Erklärung zu den verwendeten Symbolen

Einschätzungen zur Technik – Status Quo
Grad der Versetzung
Stand alone In Abteilung Abteilungsübergreifend Mit externen Unternehmen

Grad der Steuerung durch Technik
Entscheidungsunterstützung Entscheidungsvergaben Teilweise technikgesteuert Voll technikgesteuert
(Rahmen = keine Arbeitsteilung, Verbrauch)

Wirkungen auf Arbeit – Status Quo
Beschäftigung Anforderungen an Arbeit Arbeitsbedingungen
positive Entwicklung negative Entwicklung keine Veränderung keine eindeutige Entwicklung

Einschätzungen zur Technik – Ausblick
Verstärkter Einsatz von Industrie 4.0-Lösungen Keine Veränderung
Verlassen des technik-zentrierten Pfades Unklar

Wirkungen auf Arbeit – Ausblick

Stand: August 2017
3.4 Intermediate results - project will continue

- High involvement of employees – from all departments including the non-unionized
- Change of traditional representative WC model
- Management impressed by professional approach
- Industry 4.0 not yet realized – mostly underway in early phase
- Themes: Job security, intensification of work, initial and further training, working time ……
- Until 9/2018 in 9 „Mittelstand“-companies „Future Agreements“ signed:
  - joint working groups / joint monitoring of changes: especially skill development, working time ……
- Clear intensification of social partnership and co-management
- Also failed cases (WC’s did not want too much trade union intervention, management lost interest …)
Conclusions

- **Ressource intensive experiment with unknown results**
- Industry 4.0 in process: more gradual than disruptive changes
- Stock-taking helpful – precondition of early intervention
- Old problems are the new problems, but growing importance of training
- Mutual learning across companies and support of unions crucial – overload of isolated WC’s
- Stronger unions have to help weaker unions
- Need to mobilize external resources

**Open questions:**
- Are „Future agreements“ a step forward? Company maps get outdated soon
- Dissemination into other companies?
One consultant

„In these work-shops we have mainly been working on the attitudes of the works councillors“