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

CRIMT « Institutionnal Experimentation Better Work »
MAGOG, Québec October 25 -27, 2019
The German context (I): 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 - 57 % in 2017

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
The German context (II): Declining organizational but high institutional power (IP)

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
The German context (III): 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

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
Basic idea:

- 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, Mining and Energy (IGBCE) and the Food Workers Union (NGG)
- New narrative „YES WE CAN SHAPE THE FUTURE OF INDUSTRY 4.0“
Project „Work 4.0 - North-Rhine-Westphalia 2020“ (II)

- 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
  - Network workshops for „mutual learning“
Company map of industry 4.0

Erklärung zu den verwendeten Symbolen

Einschätzungen zur Technik – Status Quo

<table>
<thead>
<tr>
<th>Grad der Versetzung</th>
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<tr>
<td>Stand alone</td>
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<td>In Abteilung</td>
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<td>Abteilungsübergreifend</td>
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<td>Mit externen Unternehmen</td>
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Einschätzungen zur Technik – Ausblick

| Verstärkter Einsatz von Industrie 4.0-Lösungen |
| Keine Veränderung |
| Verlassen des technik-zentrierten Pfades |
| Unklar |

Wirkungen auf Arbeit – Status Quo

| Beschäftigung |
| Anforderungen an Arbeit |
| Arbeitsbedingungen |
| positive Entwicklung |
| negative Entwicklung |
| keine Veränderung |
| keine eindeutige Entwicklung |

Wirkungen auf Arbeit – Ausblick

| MA = Mitarbeiter/-innen |
One consultant

„In these work-shops we have mainly been working on the attitudes of the works councillors“
Intermediate results – project continues (I)

• Higher involvement of employees than originally planned – from all departments including the non-unionized
• Change of traditional representative WC model – not „one-man-show“
• Management impressed by professional approach
• 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 in these companies
Intermediate results – project continues (II)

Part of experiments: Also failed cases

• Some WC’s did not want too much trade union intervention, project made their work transparent, made some deals with management more difficult …
• management lost interest – did not want more codetermination
• no success in big companies – strategic decisions centralized
## 3.5 Topics

<table>
<thead>
<tr>
<th>Topics</th>
<th>During Mapping (cases of plants)</th>
<th>Taken up (in negotiations)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safeguarding of jobs</td>
<td>9</td>
<td>8</td>
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<tr>
<td>Organisation, Processes, Leadership</td>
<td>11</td>
<td>6</td>
</tr>
<tr>
<td>Business strategies, Products</td>
<td>5</td>
<td>2</td>
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<tr>
<td>VET</td>
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<tr>
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<td>Data protection</td>
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Conclusions

- **Ressource intensive experiment with unknown results**
- **Stock-taking helpful – precondition of early intervention**
- **Earlier participation of employees in future**
- „**Future agreements“ signed by employers because they had to negotiate with them anyhow**
- **Mutual learning accross companies and support of unions crucial – isolated WC‘s overloaded**
- **Stronger unions have to help weaker unions**
- **Need to mobilize additional public ressources - „Decent Work 4.0“ is also a public responsibility**
Conclusions

Open questions:

• Are „Future agreements“ a step forward?

• Will the state support „Decent Work 4.0“ projects?

• Dissemination across industries?

• Can unions in other countries with other ressources learn from this experiment?