The ‘better not cheaper’ campaign in Germany

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Achim Vanselow
Institute for Work, Skills and Training
at the University Duisburg-Essen

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Background

- Need for economic regeneration in Northrine-Westfalia (NRW).
- Shift to services but manufacturing still significant.
- Competition from low cost Asian economies.
- Decline in trade union membership in Germany.
Decline in union membership

• German reunification brought some recovery in union membership but trend downward – like ‘butter in the sun’.

• Familiar reasons: decline in male manufacturing, failure to organise women and new industries, smaller workplaces etc.

• Consequences: shrinking resources, decreasing political influence, pressure on works councils.
Rising to the challenge

1. Modernisation of collective agreements.
2. Co-ordinated decentralisation.

• Created tensions in the union movement between ‘traditionalists’ and ‘modernisers’.
• IG Metall’s 2004 ‘better not cheaper campaign’ linked to the second strategy.
Outline of the campaign

• Starting point – can’t beat Beijing on price. Need to have competitive advantage through quality.
• Campaign driven by works councils, supported by unions.
• The campaign makes demands on companies:
  – Personnel development
  – Worker participation
  – Good work organisation
  – Investment in R&D e.g. products
  – An ‘innovation offensive’
Outcomes of the campaign

• Has the involvement of 500+ firms.
• Union information suggests:
  • Not without problems – some debate over weakening of collective agreements.
  • Unions want something in return through ‘better not cheaper’
    – Saved jobs
    – Led to investment in firms
    – IG Metall union membership decline halted and stabilised in NRW.
Looking forward

• Hopes to roll out the campaign nationwide.
• Modernisers now in control of the union.
• Reversing the membership trend will be a key issue.
• As will addressing increasing low wage work and widening income inequalities in Germany.
• The ‘sword of justice’ has to be the lever for that process.
Contact

• Achim Vanselow
• IAQ, Faculty of Social Sciences, University of Duisburg-Essen, D-45117 Essen
• Tel.: +49-209/1707-185
• E-Mail: achim.vanselow@uni-due.de
• Web: www.iaq.uni-due.de