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

**CRIMT « What Kind of Work for the Future? Disruption, Experimentation and Re-/Regulation »**

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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 resources“ (*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:

- „*Competence and Innovation*“ (2006 – 2007) and „*Better Instead of Cheaper*“ (2008 – 2011)
- 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

- successfull 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



sustain | CONSULT



Stand: August 2017

### Erklärung zu den verwendeten Symbolen

#### Einschätzungen zur Technik – Status Quo

Grad der Vernetzung			
Stand alone	In Abteilung	Abteilungsübergreifend	Mit externen Unternehmen
Grad der Steuerung durch Technik			
Entscheidungsunterstützung	Entscheidungsvorgaben	Teilweise technikgesteuert	Voll technikgesteuert
<small>(Maschine = reines Arbeitsmittel / Werkzeug)</small>			

#### Einschätzungen zur Technik – Ausblick

- ↑ Verstärkter Einsatz von Industrie 4.0-Lösungen
- ↓ Verlassen des technik-zentrierten Pfades
- ↔ Keine Veränderung
- ?? 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

## 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-mangement
- 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“**