

The 'better not cheaper' campaign in Germany

03. April 2008

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at the University Duisburg-Essen**

Presentation at the Scottish Trade Unions Congress, Glasgow

Background

- Need for economic regeneration in Northrhine-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.

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