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

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Qualifikati

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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)

<u>High IP through</u> 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

<u>Strategic use of IP in core industries question of survival for</u> <u>unions</u>

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





Project "Work 4.0 - North-Rhine-Westphalia 2020" (I)

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"





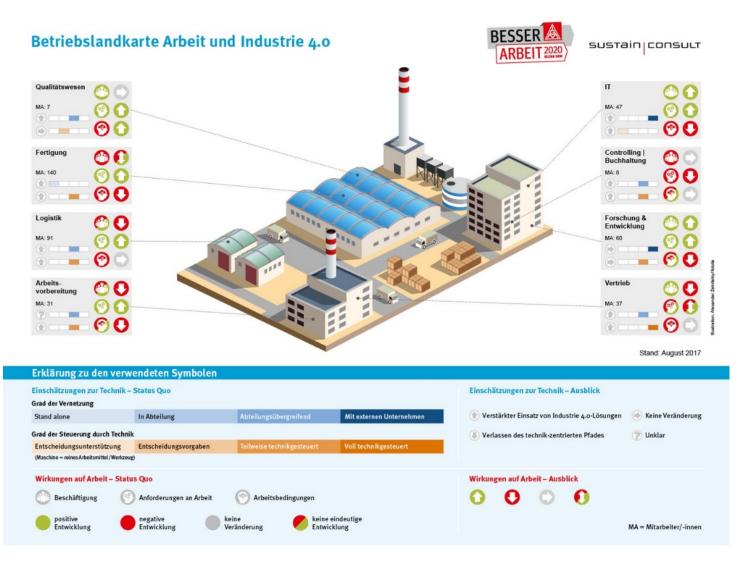
Project "Work 4.0 - North-Rhine-Westphalia 2020" (II)

- 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 <u>"experts of their workplaces"</u>
 - Mapping of problems and chances
 - Development of pro-active strategies if promissing additional workshops are financed
 - Network workshops for "mutual learning"





Company map of industry 4.0







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-manshow"
- Management impressed by professional approach
- Until 9/2018 in 9 <u>"Mittelstand"-companies</u> "Future Agreements" signed:
 - joint working groups / joint monitoring of changes: especially skill development, working time
- <u>Clear intensification of social partnership and co-management in</u> <u>these companies</u>





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 managment more difficult ...
- management lost interest did not want more codermination
- no success in big companies strategic decisions centralized

3.5 Topics

Topics	During Mapping (cases of plants)	Taken up (in negotiations)
Safeguarding of jobs	9	8
Organisation, Processes, Leadership	11	6
Business strategies, Products	5	2
VET	10	7
Working time	8	2
Wages	5	0
Data protection	3	2



Conclusions



- <u>Ressource intensive experiment with unknown results</u>
- 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?