

WIBAR seminar on Wholesale and Retail  
(Commerce) Organized by AIAS  
De Burcht Amsterdam 7 October 2016

**WSI**

Wirtschafts- und Sozial-  
wissenschaftliches Institut

Das WSI ist ein Institut  
der Hans-Böckler-Stiftung

# COLLECTIVE BARGAINING IN THE COMMERCE-SECTOR THE CASE OF GERMANY

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**Dr. Reinhard Bispinck**

# Agenda

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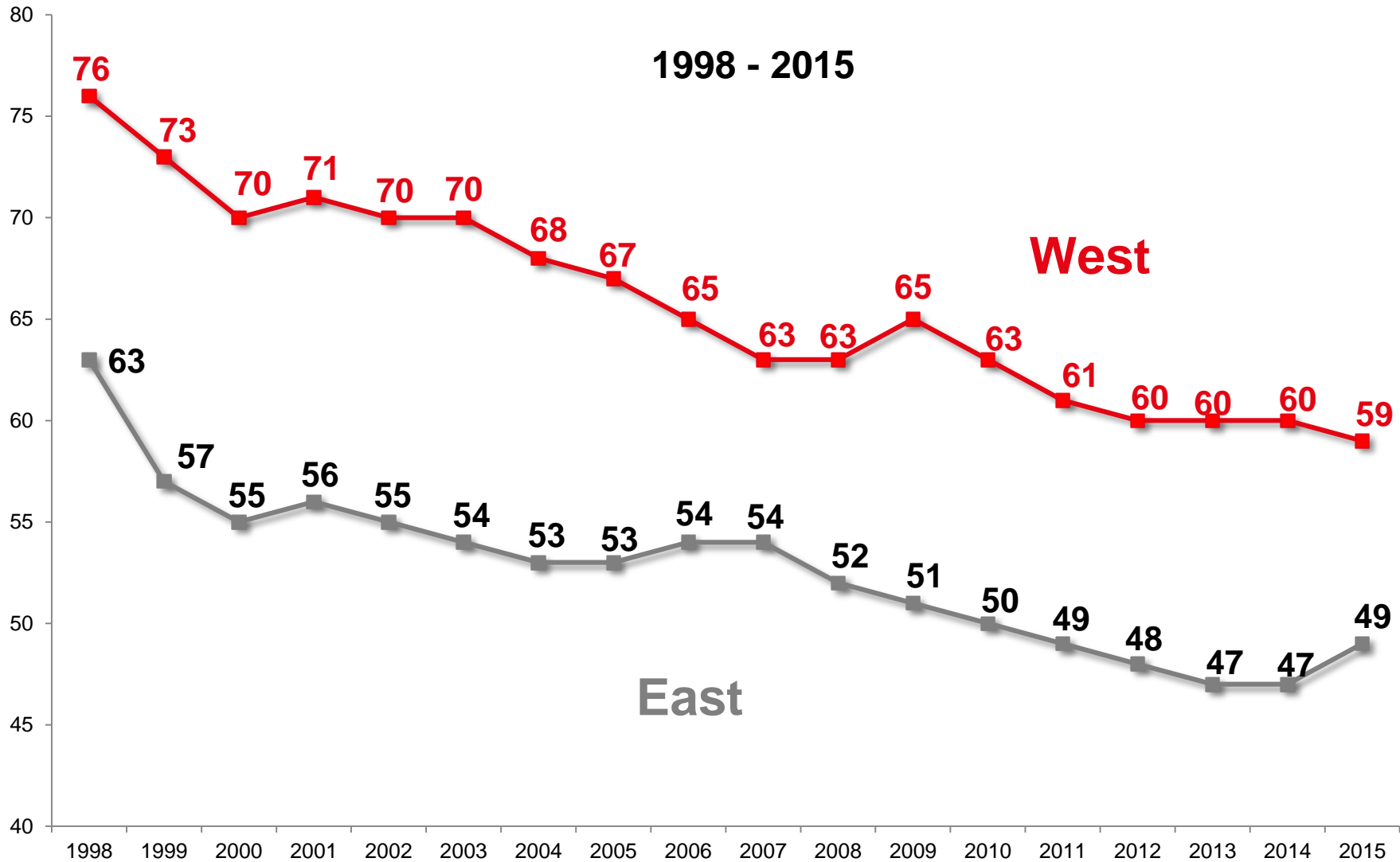
- Overview on IR in Germany
- Collective bargaining in commerce
- Re-strengthening the bargaining system

# Industrial relations in Germany

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- **Dual system** of interest representation
  - Trade unions
  - Works councils
- Mainly **sectoral collective bargaining**
  - Exceptions: Telecommunication, Railway, Post, Airlines, some mixed sectors (e.g. energy sector)
- Declining **bargaining coverage**
- **Fragmentation** and **decentralisation** of the bargaining system
- Different activities of **re-strengthening** the bargaining system

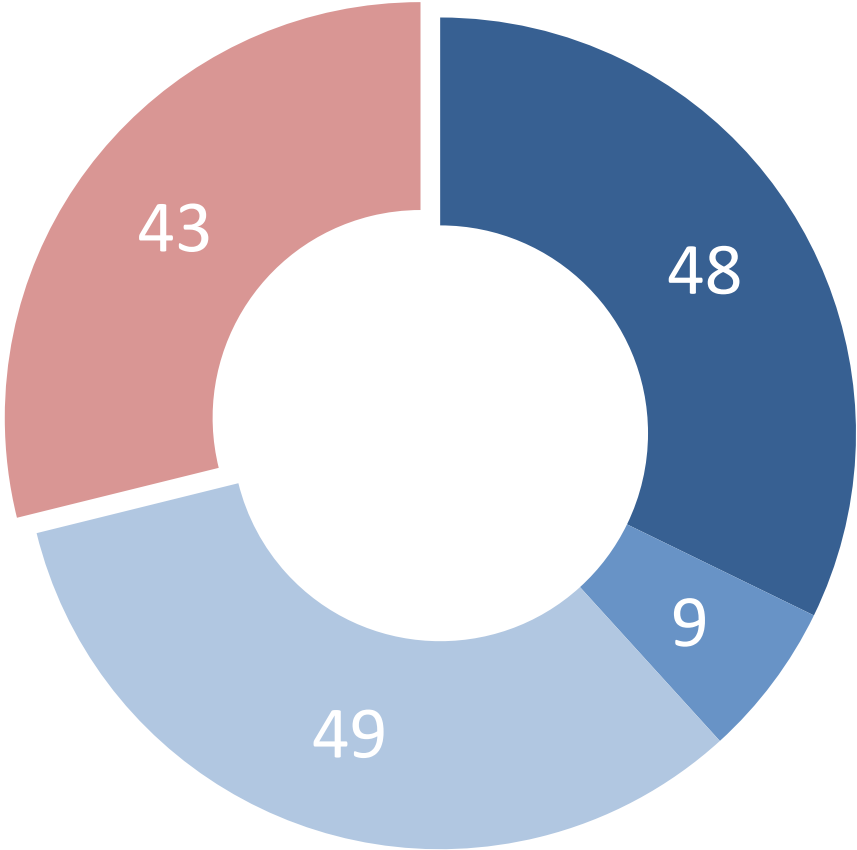
# Collective bargaining coverage – employees in %



# Collective bargaining coverage 2015

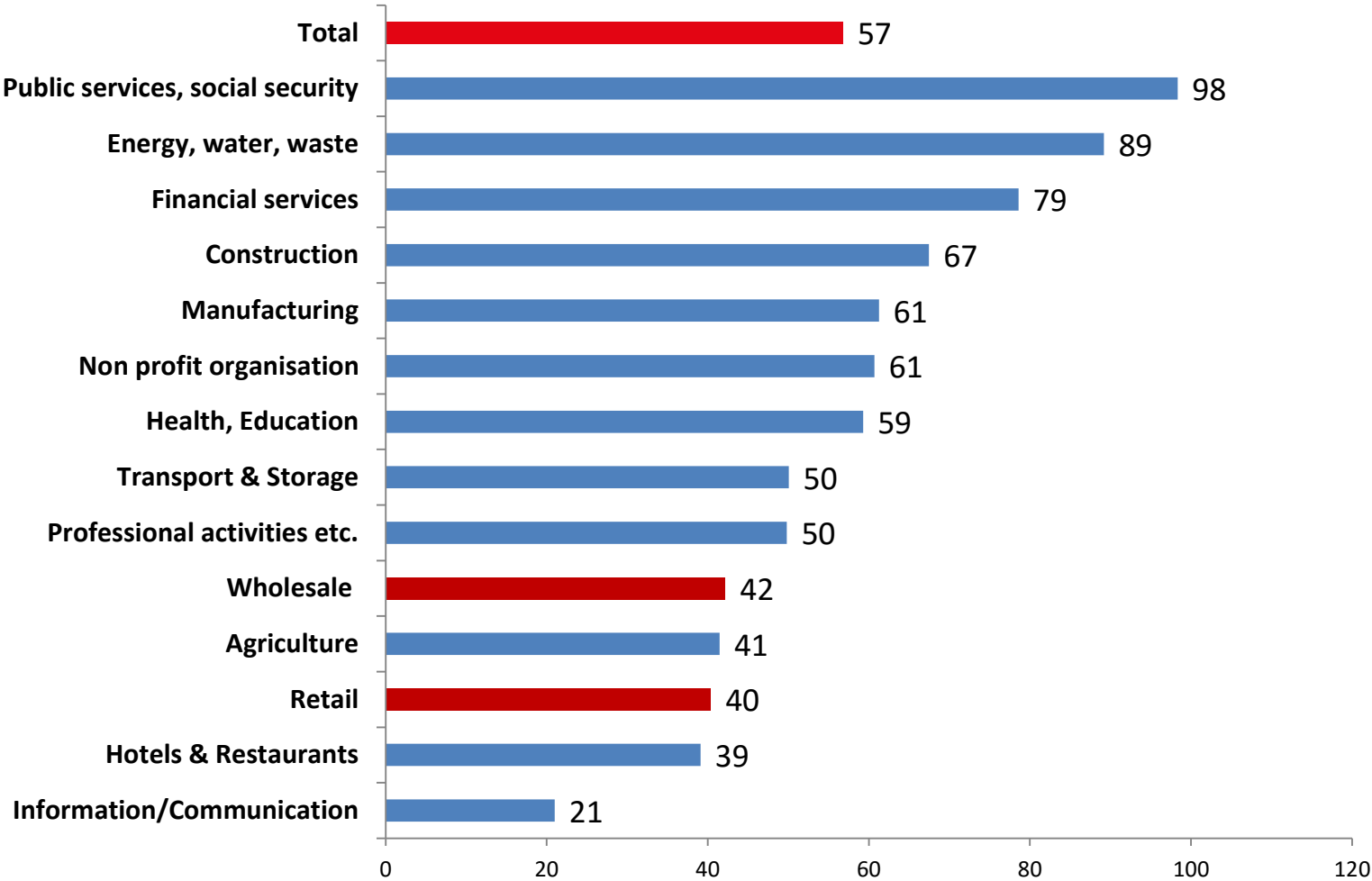
- employees in % -

- Sector agreement
- Company agreement
- Orientation at agreement
- No agreement



# Collective bargaining coverage

Collective bargaining coverage 2015 - employees in %

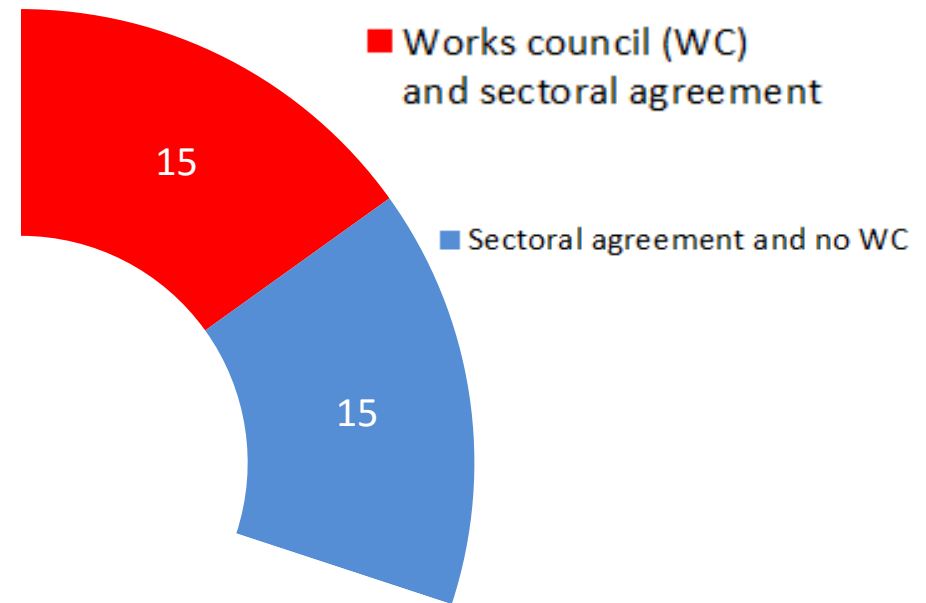


# Collective agreement and works councils

- private sector companies -

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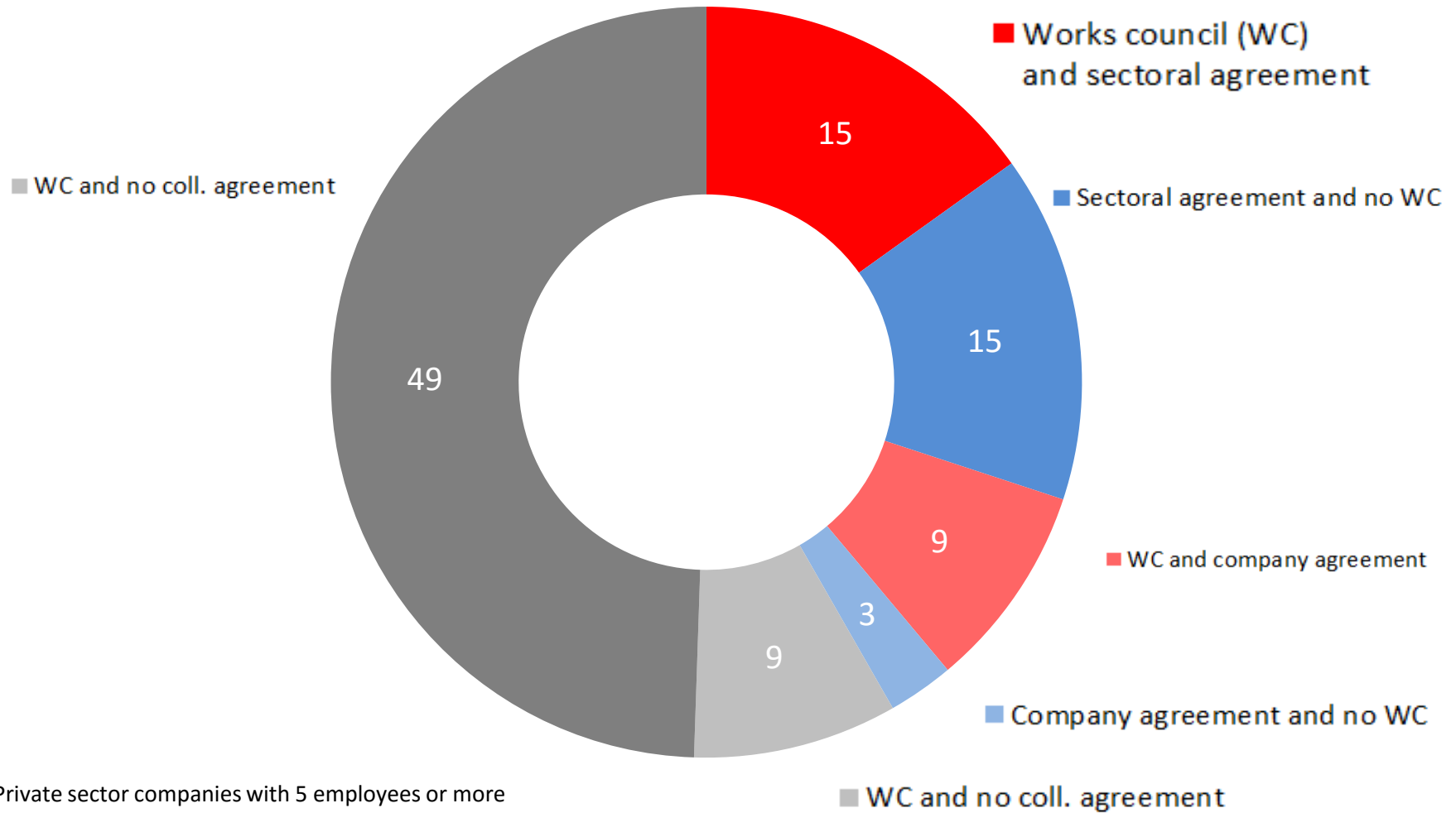
Employees in %



# Collective agreement and works councils

- private sector companies -

Employees in %



Private sector companies with 5 employees or more



# Commerce sector

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## – Wholesale

- Differentiated sector structure
- Trends: concentration, internationalisation, automation
- 1.100 trillion annual turnover
- **1.2 million employees**
- 108,000 companies

## – Retail:

- 500 billion annual turnover
- 350,000 companies  
(big corporations and SME)
- **3 million employees**
- 27 % marginal part-time

# Collective bargaining landscape

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**Union:** ver.di – Vereinte Dienstleistungsgewerkschaft  
(United Services Trade Union)

**Employers:** Regional employers associations for both sectors

## **Agreements:**

- Regional multi-employer agreements for both sectors for each federal state
- Wage and salary agreements (**24 months**)
- Framework agreements on working conditions
- Special agreements on holiday allowance, annual bonus, pension scheme, sick pay etc.



# Wholesale Northrhine-Westfalia

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## Salary per month in €

Group	entry level	final
1	1810	2211
2	1918	2356
3*	2059	2547
4	2243	2819
5	2862	3611
6a	3978	4571
6b	4272	-

\* Completed vocational training

## Wage per month in €

Group	
1	1795
2	1880
3	1967
4	2208
5	2383
6*	2605
7	2697
8	2839

**Working time:** 38.5 h/week

Annual holiday: 30 days

Holiday allowance: 644 €

Annual bonus: 434 €

# Retail Northrhine-Westfalia

## Salary per month in €

Group	Entry level	final
A	1524	1703
B I*	1657	2423
B II	2153	2846
B III	2507	3564
B IV	2971	4620

\* Completed vocational training

**Working time:** 37.5 h/week

Annual holiday: 36 working days (6 days/week)

Holiday allowance: 1,212 €

Annual bonus: 62.5 % monthly pay

## Wage per month in €

Group		
I	-	
IIa	1934	
IIb	2159	
IIc	2352	
IIIa*	2159	
IIIb*	2352	
IIIc*	2792	
IIId*	2590	2792
IVa	2591	
IVb	2822	
IVc	3350	
IVd	3108	3350
V	2205	

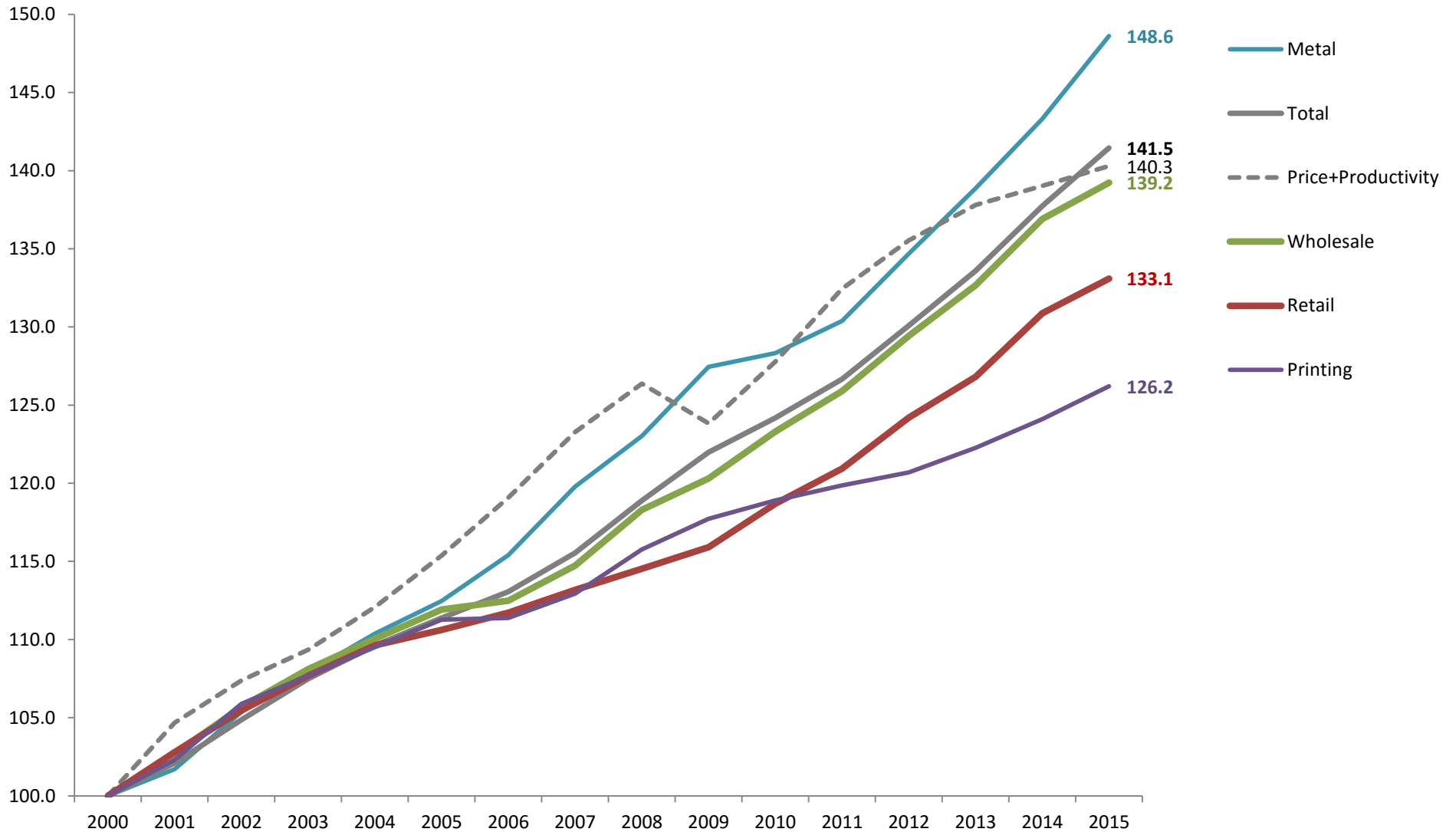
# Last pilot bargaining results

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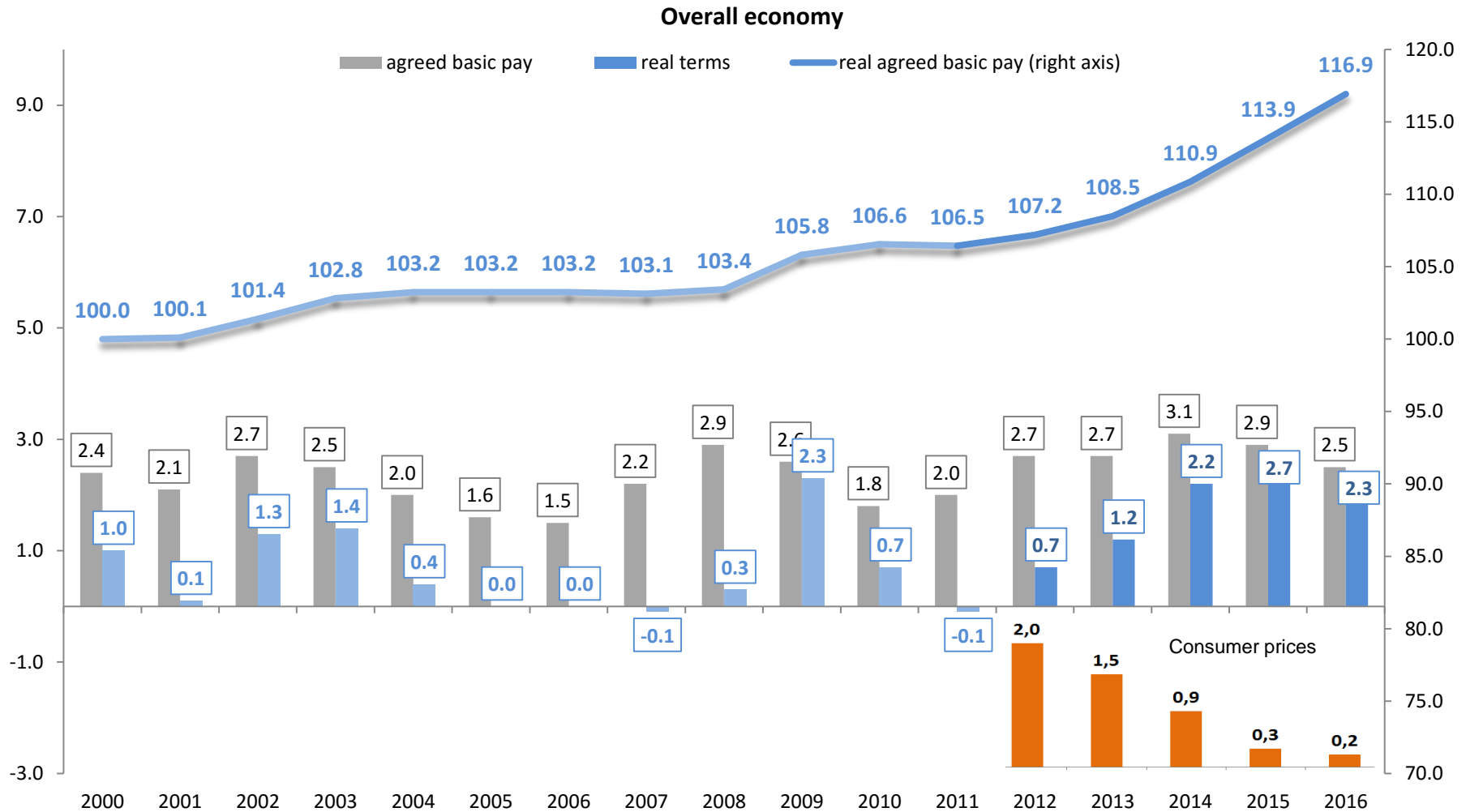
Date	Bargaining area	Pay agreement	
		2015	2016
<b>2015</b>			
23.06.	<b>Wholesale</b> Baden-Württemberg	2 months without increase <b>2,7 %</b> from 06/2015	<b>2,0 %</b> from 04/2016 90 € one off duration 24 months to 03/2017
09.07.	<b>Retail</b> Baden-Württemberg	3 months without increase <b>2,5 %</b> from 07/2015	<b>2,0 %</b> from 04/2017, duration 24 months to 03/2017

# Index of agreed basic pay

2000 = 100



# Nominal and real agreed basic pay



Source: WSI-Tarifarchiv

# Collective bargaining system: 2 strategies of re-strengthening

## 1. Stabilization by union efforts

- Fight declining and extend bargaining coverage

## 2. Political support of the bargaining system

- Statutory minimum wage 8,50 €  
from 01/2017: 8,84 €
- Sectoral minimum wages in 18 sectors
- Reform of extension-procedure of collective agreements



### Allgemeinverbindliche Tarifverträge

1. Juli 2015

Von den rund 71.900 als gültig in das Tarifregister eingetragenen Tarifverträgen sind zur Zeit 490 allgemeinverbindlich.





# Retail

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1. Extension of collective agreements **until 1999**
2. Since 2000 membership in employers association **without** bargaining coverage possible
3. Increasing trend to **avoid** bargaining coverage
4. Existential **threat** of the sector-agreement
5. **Conflicts** about bargaining coverage
6. Since 2015 trade union claims for **new application** of extension of c.a.



# Two legal systems of extension in Germany

## provisions after the reform in 2014

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Preconditions, procedures, content and scope	Collective Agreement Act (1949)
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A <b>quorum of 50%</b> collective bargaining coverage	Yes <b>Since 2014: No</b>
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Extension in has to be 'in the <b>public interest</b> '	<b>More concrete definition:</b> <b>"predominant impact"</b> <b>"secure agreements against detrimental effects"</b>
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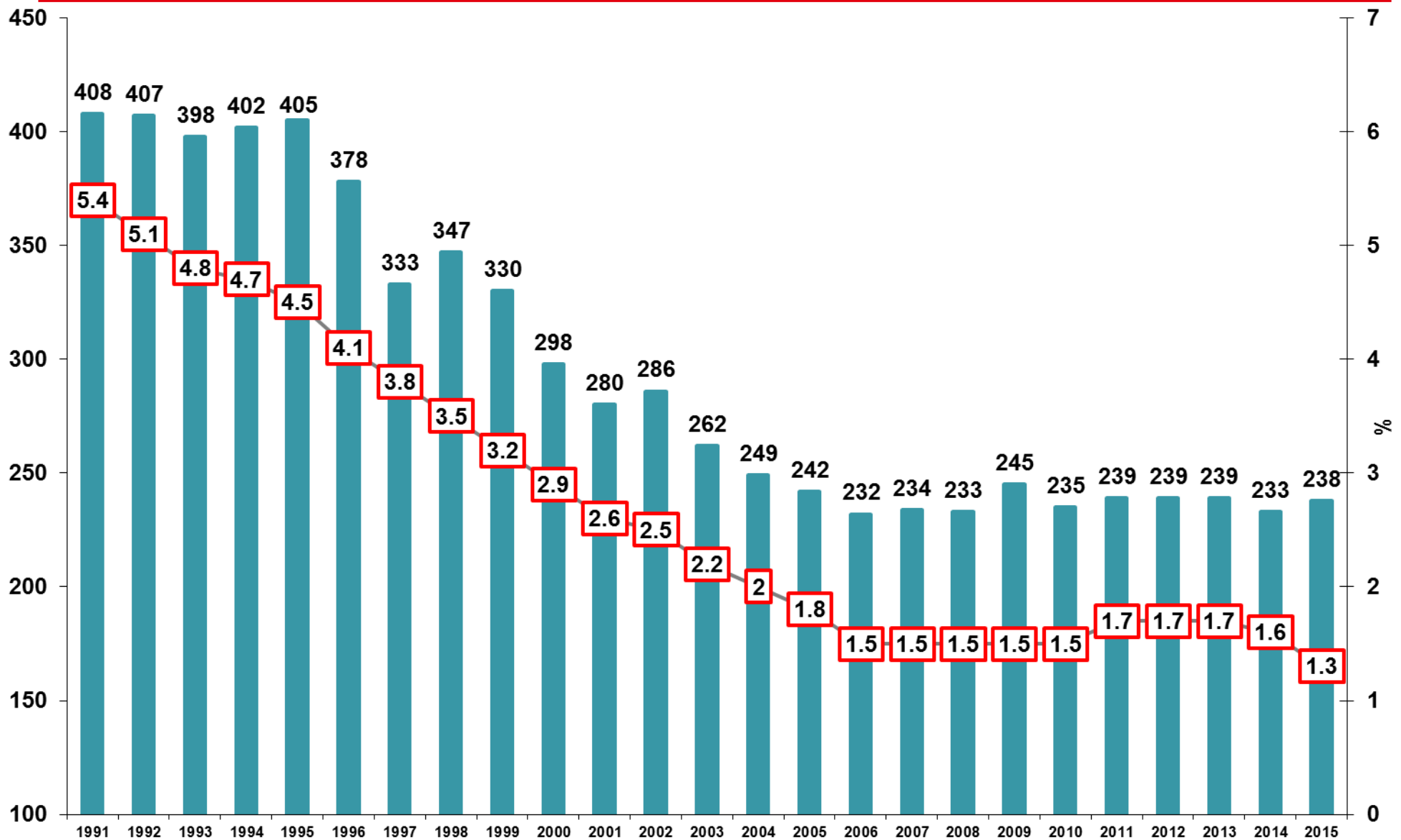
Application for extension	At least one party <b>Since 2014: Both parties</b>
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Confirmation by Collective Bargaining Committee	Yes
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# Number and Proportion of extended main Collective Agreements in force in Germany, 1991-2015



# Why the 2014 reform has (so far) failed to promote more extensions

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## Legal Difficulties

- How to proof the „**predominant impact**“ if not by coverage?

## Political Difficulties

- **Weak tradition** in the use of extension among both parties
- **Strong resistance** of peak employers' association BDA which rejects the reform and accepts extension only in “exceptional cases”
- BDA uses its **veto power** in the Collective Bargaining Committee

## Organisational Difficulties

- Most employers' associations established an **“OT-membership status”** (not covered by agreements ) which fundamentally contradicts the concept of extension

# Two legal systems of extension in Germany

## provisions after the reform in 2014

Preconditions, procedures, content and scope	Collective Agreement Act (1949)	Posted Workers Act (1996/2009)
A quorum of 50% collective bargaining coverage	Yes <b>Since 2014: No</b>	No
Extension in has to be 'in the public interest'	<b>More concrete definition:</b> <b>"predominant impact"</b> <b>"secure agreements against detrimental effects"</b>	Yes
Application for extension	At least one party <b>Since 2014: Both parties</b>	Both parties
Confirmation by Collective Bargaining Committee	Yes	No

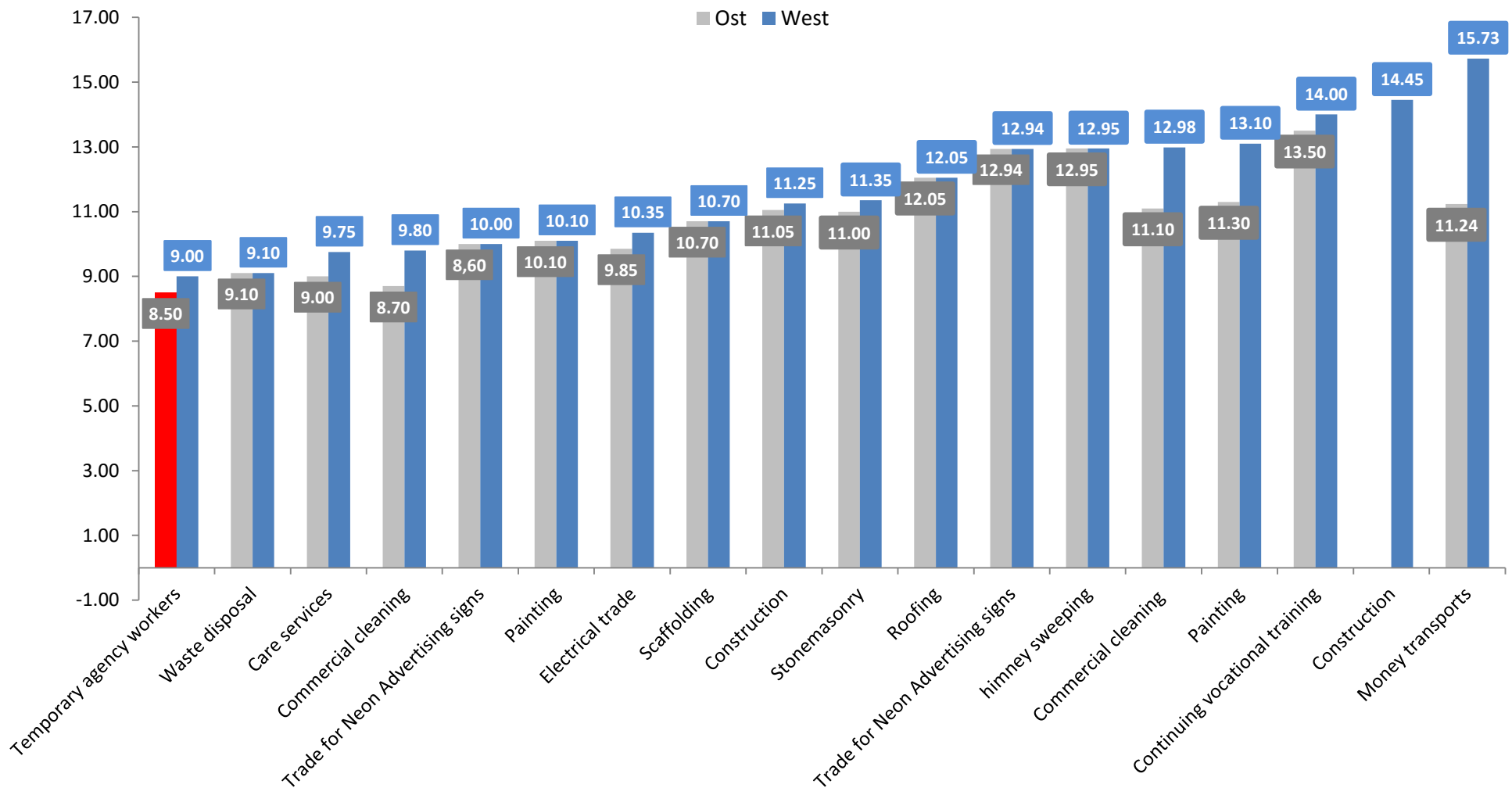
# Two legal systems of extension in Germany

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Extension in has to be 'in the public interest'	<b>More concrete definition:</b> <b>"predominant impact"</b> <b>"secure agreements against detrimental effects"</b>	Yes
Application for extension	At least one party <b>Since 2014: Both parties</b>	Both parties
Confirmation by Collective Bargaining Committee	Yes	No
Content of extended agreements	No limitation	Limited to minimum wages and other minimum conditions
Sectoral scope	Total economy	Limited to certain sectors <b>Since 2014: Total economy</b>
Collective agreements to be extended	National and regional agreements	Only nation-wide agreements.

# Sectoral minimum wages

Tarifliche Branchenmindestlöhne\* je Stunde, in Euro, August 2016



\* Extension not yet approved

# Thanks for your attention!

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## WSI Collective Agreement Archive

### ABOUT US

As the principal information centre on trade union policy on collective bargaining, the main task of the WSI Collective Agreement Archive is to track and analyse developments concerning collective agreements.

Besides publishing a [monthly status reports](#) on current agreements, the Archive also produces special analysis. The Archive has an internet website providing access to information on specific collective agreements and giving overviews of developments pertaining to collective agreements in all the major sectors. Every year the Archive publishes an [annual report](#) on current collective bargaining policy developments and a "[Statistical Pocketbook on Collective Bargaining](#)" with up-to-date informations and many longer time-series.



#### WSI COLLECTIVE BARGAINING REPORT GERMANY 2015

Collective bargaining in 2015 was characterised by a number of hard-fought industrial disputes. These took place in negotiations to secure a major upgrading of the status and terms of staff in social and childcare services, the conflict at Deutsche Post AG over the company's attempt to lower agreed pay rates for delivery staff in newly-established regional subsidiaries, and, not least, the dispute between Deutsche Bahn AG and the train drivers' trade union GDL. Employees at the Berlin

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