

EXECUTIVE SUMMARY

The balance between security and flexibility - the "Flexicurity" of the conference title - is a crucial element of future employment policy and a key challenge for Europe's workers and employers.

This was the main conclusion of the first-ever German-British trades union forum, organised jointly by the Anglo-German Foundation and the Friedrich Ebert Foundation. The two-day meeting, held at Esher Place, the Amalgamated Engineering & Electrical Union's training facility in Surrey in May 2002, brought together for the first time over thirty representatives of the trade union movement in Germany and Britain and of leading think-tanks in both countries.

The discussion and debate fell into three main themes:

- The trade union movement in the new economy
- People and work
- Training and qualifications

The trade union movement in the new economy

To survive in the 21st century, trade unions must embrace the extensive recent changes in the work environment. This will require them to widen their appeal beyond their traditional male/manufacturing base to include women and minority groups; to reflect the move to a knowledge-based society and the resulting changes in both the nature of work and the type of jobs available; and to respond to wider social changes through tackling such important questions as working hours, economic bottlenecks, education, and work/life balance.

Trade unions will create a new image for themselves, and become more effective in the changing workplace, by becoming more customer-oriented and by putting the needs of individual members at the centre of all their activity. Skills, marketability, transferable training and portable careers are the buzzwords for the 21st century.

Trade unions in the UK and Germany face different challenges. In the UK the experience of privatisation, and the consequent lower wages and worsening working conditions, has made unions cautious about change. In addition, the strength of the UK economy derives from the financial services sector, in which union membership is below average. In contrast, in Germany the manufacturing sector, where union membership remains high, is still strong.

People and work

The role of trade unions in the management process in Germany and the UK is fundamentally different. In Germany unions have guaranteed influence through the works council (*Betriebsrat*), which has an explicit set of co-determination rights on social matters, such as working hours, overtime, performance monitoring, and health and safety. Trust lies at the heart of the

management–works council relationship, and as a result can lead to flexible ways of handling conflict. There is no UK equivalent of the works councils, other than the works councils required by EU legislation. These, which operate in European-level enterprises, have a more limited role than the German works councils.

However, in both countries the emergence of knowledge-based industries is creating new, less distinct, relationships between employers and employees and significant structural changes in employment patterns. And in both countries also, especially in the UK, national collective agreements are declining, with the consequence that individual managers (who often lack the necessary training) are taking decisions on human resources issues. Unions have a role in encouraging good employers and discrediting bad ones. Changing the attitudes of human resources managers in the UK is harder in the UK than in Germany, where works councils and co-determination have existed for many years, which is why it is important to bring issues on to a European level. However, works councils in Germany are declining in the private sector, and one task confronting German unions is to provide guidance and advice to employees in companies without works councils.

Performance related pay was identified as the most controversial new element in pay negotiations in both countries. Trade unions have tough choices to make. Do they want to co-operate in this new type of pay? How can they influence the assessment process? And now can they continue to maintain and protect employee rights? Concern was expressed about the potential for abuse and for the wide discretion given to management in assessing performance.

Training and qualifications

There are major contrasts between the training and qualification systems in the two countries. The focus in Germany is the highly regarded dual apprenticeship, which provides practical work experience and produces employable individuals. Although this system is highly regarded, it is based on the idea of training for lifelong employment in the same occupation, and is declining in popularity. Other forms of training in Germany are weak, participation in further training is lower than the European average, and in-house training tends to be informal, not leading to a qualification. However, new forms of flexible, module-based training are being developed.

In the UK, the issue is the extent and appeal of craft and technical training. Large numbers of people are trained to a high level, with a resulting surplus of managers and lack of engineers and technicians. The situation is made worse by the tendency to look down on vocational qualifications, which are also poorly funded. Vocational training is largely restricted to people who are already employed, and the system is entirely voluntary. While large companies generally offer training to their employees, many small and medium-sized enterprises do not.

However, the new UK learner representatives – the training equivalent of health and safety representatives – are beginning to make a real difference in the workplace, through assisting employees in choosing training programmes,

helping with training-related problems, shifting the centre of power away from the company towards individuals, involving marginalised groups, and making unions partners in vocational training. Learner representatives were also seen as a positive example for Germany.

The importance of working towards European vocational training systems and standards, and transferable qualifications, was also stressed.

For more information please contact

Anglo-German Foundation/Deutsch-Britische Stiftung

Annette Birkholz
34 Belgrave Square
London SW1X 8DZ, UK
Tel +44 (0)20 7823 1123
Fax +44 (0)20 7823 2324
Email ab@agf.org.uk
Website: www.agf.org.uk

Friedrich-Ebert-Stiftung

Gero Maass
London Office
Office 312
The Chandlery
50 Westminster Bridge Road
London SE1 7QY
Tel: +44 (0)20 7721 8745
Fax: +44 (0)20 7721 8746
Email: feslondon@dial.pipex.com
Website: www.fes.de/london

Anglo-German Foundation/Deutsche-Britische Stiftung

The Anglo-German Foundation for the Study of Industrial Society (AGF) was established in 1973. The AGF is an independent bilateral body which funds comparative research and sponsors British-German events in the economic, industrial and social policy fields in both the UK and Germany.

Friedrich-Ebert-Stiftung (FES)

The Friedrich-Ebert-Stiftung, founded in 1925 as a political legacy of Germany's first democratically elected president, Friedrich Ebert, is a non-profit making, political public-interest institution committed to the principles and basic values of social democracy in its educational and policy-orientated work.