

# **Making Bad Jobs Better Jobs: Trade unions and the low paid sector in Germany and the UK**

Fifth British-German Trades Union Forum

*London*

10 and 11 July 2006

## **Executive Summary**

Transforming bad jobs into better jobs is a huge challenge – and a huge opportunity – for trade unions in Germany and the UK. It represents an opportunity because success will reinforce the role and relevance of trade unions as part of the respective national frameworks of industrial relations and politics. It is a challenge because it forces trade unions to come to terms with increasing globalisation. It also compels union organisers – in headquarters as much as in individual workplaces – to find ways of advancing the specific interests of particular groups among their members. These include the low-paid, those doing less interesting jobs with poorer career prospects, women, and migrant workers: all groups that many unions have marginalised (if not ignored) in the past.

In July 2006 some 30 British and German trade unionists – from leaders and senior policy-makers to workplace organisers – academics and commentators met at the Trades Union Congress in London to discuss these issues. The occasion was the fifth British–German Trade Union Forum, a collaboration between the Anglo–German Foundation, the Friedrich Ebert Stiftung and the Hans Böckler Stiftung. The Forum aims to develop closer ties between trade unions and trade unionists in the UK and Germany, and to provide the opportunity to learn from policy and practice in the two countries. Its annual discussions are unique, for it is thought to be the only transnational body that brings together European trade union activists working at different organisational levels.

The discussions revealed notable divergencies between the two countries. In some respects British trade unionists were more confident and buoyant than their German counterparts. In recent years the steady decline in trade union membership in Britain has halted, although membership numbers have not yet started to rise again and unions have failed to capitalise fully on the expansion of public-service employment. In addition, the British government has introduced a number of reforms that have strengthened the

position of employees at work and the role of trade unions. This renewed vigour is reflected in increasing campaigning activity, as the contribution from Jack Dromey, Deputy General Secretary of the Transport and General Workers Union demonstrated (see pages 10–12 of report). There is also a new willingness to reach out to new members and find innovative ways of meeting their needs.

German trade unions are more on the defensive. Membership is falling, notably in eastern Germany; employers are beginning to chip away at the principle of collective bargaining, a fundamental part of the post-war system of industrial relations; trade unions are compelled to agree to very low wages, well below poverty level, for certain jobs since otherwise employers will impose even lower pay and abandon collective bargaining; and unions themselves are divided on the issue of a national minimum wage.

The Forum's lively and intensive debate centred on two principal issues: low pay, and specifically the impact of a national minimum wage; and how best to represent migrant workers and reconcile their rights and needs with those of 'native' employees.

In Britain, the National Minimum Wage has won general acceptance among trade unions, the general public and all but the most diehard of employers; one reason is that its introduction was overseen by an impartial commission. The National Minimum Wage is now part of the economic and political landscape, and it is hard to imagine any government, whatever its politics, abolishing it. The impact on employment has been minimal, the impact on the incomes of low-paid workers has self-evidently been beneficial, and the wages of those paid just above the minimum level have not been dragged down.

In Germany, the issue of a national minimum wage divides the trade union movement. Some unions oppose it because the negotiated minimum wage in their sector is already above the likely national minimum, and they fear that their members' pay will be dragged down. In addition, a statutory national minimum wage implies state involvement in industrial relations, which will, many unions fear, compromise their independent status as one pillar of the industrial relations system. However, ver.di, the largest union representing service-sector workers, is now actively campaigning for a national minimum wage. Delegates heard from Sabine Groner-Weber, head of ver.di's strategy unit, about this change of heart and why the union now believes the national minimum wage is essential to improve low pay.

German and British policy relating to migrant workers also differs. Some major British unions are running active recruitment campaigns among migrant workers and are offering tailored benefits such as language training; they are also encouraging migrant workers to train as local organisers. As well as acting on their belief that incomers should be integrated into the workforce and enjoy union representation, unions want to ensure that migrant workers' pay is increased to the level of their British counterparts, so preventing the presence of migrants depressing wage levels. While activity of this kind is accepted national policy, unions are still meeting – and challenging – resistance among grassroots members, who feel threatened by the presence of incomers in the workplace.

In Germany, a separate union for itinerant workers has recently been established. In general, however, there seems to be less enthusiasm for additional recruitment campaigns among the wider pool of migrant workers. This partly reflects broad social factors in Germany, where a greater proportion of migrant workers are mobile workers

employed for short periods on specific projects before moving on to another project (often in another country), and where the integration of those with existing citizenship rights, or conversely the acquisition of citizenship rights, was until recently respectively less common and more difficult than in the UK.

Many of these national divergencies reflect the specific economic and social situations in the two countries. Overall, delegates reiterated the commitment of the trade union movement to fighting to provide better opportunities – improved pay and working conditions but also ‘softer’ benefits such as access to education and training – for their members. They also agreed that vigorous trade union campaigning for fair wages for all workers would overcome the potential threat migrant workers pose to pay levels, especially among low-paid workers; and that unions should increase the resources they devote to supporting marginalised workers in their sectors.

*For more information please contact:*

**Anglo-German Foundation/Deutsch-Britische Stiftung**

Ray Cunningham

Director

Anglo-German Foundation/Deutsch-Britische Stiftung

34 Belgrave Square, London SW1X 8DZ

Tel +44 20 7823 1123, Fax +44 20 7823 2324

E-mail rc@agf.org.uk, Website www.agf.org.uk

**Friedrich-Ebert-Stiftung**

Dr Ernst Hillebrand

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

E-mail: feslondon@dial.pipex.com, Website: www.fes.de/london

**Hans-Böckler-Stiftung**

Nikolaus Simon

Geschäftsführung

Hans-Böckler-Stiftung

Hans-Böckler-Straße 39

40476 Düsseldorf

Tel: +44 (0)211 7778 153/4, Fax: +44 (0)211 7778 256

E-mail: Nikolaus-Simon@boeckler.de, Website: www.boeckler.de

**Notes to the editor:**

The Anglo-German Foundation contributes to the policy process in Britain and Germany by funding comparative research on economic, environmental and social issues and by organising and supporting conferences, seminars, lectures and publications which encourage the exchange of knowledge, ideas and best practice, both between the two countries and between researchers and practitioners.

***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.

***Hans-Böckler-Stiftung***

The Hans-Böckler-Stiftung is the institute of the German Trade Union Federation (DGB) to promote co-determination, research and studies. In all its fields of activity it is committed to co-determination as a creative principle of democratic societies. It promotes this concept, supports mandate holders in co-determination positions and advocates the furthering of co-determination rights.