

Flexicurity: Employability and Security in a Flexible Global Labour Market

British-German Trades Union Forum Conference Report



Anglo-German Foundation
Deutsch-Britische Stiftung

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British-German Trades Union Forum

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in a Flexible Global Labour Market**

Conference Report

2002



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**Anglo-German Foundation
for the Study of
Industrial Society**

**Friedrich-Ebert-Stiftung,
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Anglo-German Foundation for the Study of Industrial Society

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Contents

Contents	i
Executive summary	iii
Introduction: setting the scene for discussion	1
Current issues, challenges and opportunities	2
Trade unions must adapt to change or die	2
The changing work environment	3
What will the future bring?	3
Flexibility and security	5
New challenge from competition	5
People and work	7
Stress is a real and serious problem	7
Trade union attitudes in Germany and Britain: discussion	9
Rail guards illustrate the different approaches of German and British trade unions	9
No caricature please, we're British	9
Individuals should be at the centre	10
Generalisation should be avoided	12
Encouraging young people	13
New patterns of employment and human resource management	14
British unions lack legal or regulatory support	14
German system must reform to meet challenges of new economy	15
The importance of transparency	17
Trust is needed on both sides	19

Trade union responses to new patterns of employment and management	20
Trade unions must grasp opportunities	20
Are collective agreements a thing of the past?	20
Some positive examples of help	21
The conundrum of performance related pay	22
Learning, training and qualifications in Germany	25
German system undermined by rapidly changing economy	25
Enterprise role increasing	27
Learning, training and qualifications in Britain	31
British seems pole-axed by polarisation	31
Policies reinforce problems	32
Training to meet the wider needs of people and industry	33
The role of trade unions in learning, training and qualifications	36
Unions face the challenge of lifelong learning	36
Desperate measures for desperate times	37
Differences and similarities	38
Training should be part of the system	39
Work skills should be transferable	39
Forcing the issue	41
Organisations involved	42
Anglo-German Foundation/Deutsche-Britische Stiftung	42
Deutscher Gewerkschaftsbund (DGB) (German TUC)	42
Friedrich-Ebert-Stiftung (FES)	42
Wirtschafts- und Sozialwirtschaftliches Institut (WSI) der Hans-Böckler-Stiftung	43
Institute for Public Policy Research (IPPR)	43
Trades Union Congress (TUC)	43

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.

Introduction: setting the scene for discussion

Security and flexibility are crucial elements of future employment policy and are key challenges for Europe's workers and employers.

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Delegates discussed and debated the challenges facing the trade union movement in both countries under the overall title 'Flexicurity: employability and security in a flexible global labour market'.

Gero Maass of the Friedrich Ebert Foundation outlined three main themes: the future of work and society's hopes and fears in relation to changing labour structures; the future of trade union development, notably its image and self-confidence; and the future of economic and social stability, particularly the role of a social security system in Europe.

'Trade union membership is shrinking in Germany. Workers believe that unions are unable to settle professional problems, and many do not support the aims of the trade union movement,' Mr Maass said: 'Our debate should concentrate on flexibility and examine the future development of the trade union movement and its links to society as a whole. We also need to look at the question of qualifications.'

Nikolaus Simon of the Hans Böckler Foundation echoed Mr Maass's remarks. 'There are a number of challenges and subjects which we need to discuss – issues that are relevant to the whole of Europe but particularly to British and German trade unions. Central to this discussion should be the ideas of equal opportunity and of access to qualifications and ways in which workers can better themselves. We need to address the way trade unions as organisations allow people to achieve what they want. We need to look at why trade unions are no longer attractive to young, well-skilled workers and particularly to women, who are under-represented in general within unions. How sexy will trade unions be in a knowledge-based society? These and other related issues are the general challenges facing the trade union movement in both our countries.'

Current issues, challenges and opportunities

Trade unions must adapt to change or die

Trade unions will not survive unless they adapt to reflect changes in the work environment, believes John Monks, General Secretary of the Trades Union Congress (TUC), Britain's national trade union organisation. Launching a discussion centred on the issues, challenges and opportunities confronting trade unions, he argued that the kind of labour market we want, and how we balance job flexibility and security, are of crucial importance to unions throughout Europe.

'One of the most important policy debates in our society is what kind of capitalism we want, how it is tempered by rules and how we manage it. These questions and the ways in which trade unions confront them are crucial to our continuation and future. How we balance flexibility and security, cope with changes, create jobs – are just some of the challenges facing us.'

Trade unions grew strong on the back of policies aimed at achieving high or full employment. Workers' rights then became the leading issue. Now, however, unions face a variety of challenges emanating from the twin issues of flexibility and security.

'These are among the most important policy debates in our society. They go beyond mere market considerations to define the kind of capitalism we want, and how it will be tempered by rules and human considerations. This debate is at the heart of where the trade union movement is going. In Britain we have seen the way people earn a living change quickly in a relatively short space of time. When I talk to schoolchildren, not one of them is thinking of working in a factory. Those living in southeast England do not see future employment opportunities anywhere other than in service industries. When I was at school 44 per cent of the boys left to become apprentices. Now expectations have changed completely. Over 20 per cent of those entering the workforce have higher education qualifications, and in Scotland the proportion is even higher. Furthermore the government is committed to raising the proportion still further.

Huge sociological changes have been taking place. In both the UK and Germany the mills and large engineering works that were characteristic of both countries have closed. Employment prospects are very different. We must ask ourselves if our future will inevitably follow the US model. Will those entering the labour market at the lower end be trapped? Or do such jobs represent the gateway to the American dream of advancement and prosperity?'

The changing work environment

Today jobs that were not even envisaged twenty or thirty years ago dominate the labour market. The huge growth in the employment of graduates and professionals, in financial services, information technology and niche jobs, has been balanced by catastrophic falls in employment levels in manufacturing, heavy industry and what are now termed old-economy jobs. Jobs in financial services and manufacturing are now equal in number. The trend is similar in Britain and the USA, although faster in the USA.

As these new industries have risen, the trade union movement has declined, and membership levels have fallen in both Britain and Germany. 'The basic lesson for the trade unions is that, unless we change, our clear destiny is decline in influence and relevance and ultimate oblivion. It is time to get ready, to face the great challenge and to emerge stronger and more powerful'.

British companies and multinationals within Europe embracing the new mantra: maximisation of shareholder value. This trend is becoming ever stronger in the UK, but is also apparent in the rest of Europe, including Germany. Deregulation is another trend that is growing stronger in Europe. Anything that stands in the way of maximising shareholder value is an obstacle. 'We have seen how quickly this trend is spreading through multinational companies, mostly those with roots in the USA. Business schools have embraced this theory. There is also a consensus among politicians from both the Conservative and Labour Parties on this. They see the USA's success in generating employment opportunities and believe that this is the way to proceed.'

Meanwhile, there is a difficult clash with the trade unions. Skills, flexibility and high productivity are equated with the idea that shareholder value is most important. But unions believe that company success comes from deeper roots: a high commitment by workers, pride in their work and important values such as trust. 'These virtues are seen as clashing with the objective of maximising shareholder value. Traditional trade union values are under threat and are seen to be fragile, even in companies with a long history of worker value, such as Marks & Spencer.'

What will the future bring?

So how will the trade union movement of the future cope with these perceived threats to workers? How will the demands of the new economy impact on traditional union activities? Will unions be able to embrace new ideas and worries from the workforce?

Mr Monks is hopeful that the outcome will be positive. 'Security is no longer the most important aspect of employment for people. Instead, the younger workers, mainly graduates, are looking for freedom. They want control over their lives, the ability to choose. What's important for them is travel, relationships, world experiences. They see their skills in a global context. Working life is no longer limited to one nation, let alone one locality. Workers in the new economy have a global view.' What workers are looking for now is different from what trade unions offer. Unless the trade union movement

addresses these issues and finds a way of making itself relevant in a changing work environment, it risks becoming sidelined and obsolete. If discussions within unions do not centre on change, reflecting the changes in society, they will find themselves irrelevant and unable to survive’.

Flexibility and security

Wolfgang Lutterbach, international secretary of the Deutscher Gewerkschaftsbund (DGB), the German Trade Union Confederation (the equivalent of the TUC), believes that the key to the future of trade unions and to the development of labour relations in Europe is to be found in the exchange of ideas and discussion of challenges. 'I think we all agree that exchanges between British and German unions are ever more important. Globalisation and the increasing influence of European Union decisions make it important for the trade union movements in both countries to work together. Only through co-operation can trade unions be successful. We need to find joint answers to the questions confronting unions throughout Europe. We face common problems.'

As companies come closer together, the trade union movement must do so as well in order to meet the challenges confronting us in Europe: globalisation, new methods of working, and changes in management, technology and labour patterns. We need to find ways to confront globalisation and competition. Unions now face more challenges and more demands than ever before. People expect trade unions to respond to the new flexibility within the labour market and to reflect it in bargaining agreements. Unions need a new understanding of flexibility in the context of the new economy. They should not leave workers at the mercy of deregulation and the market economy, and must destroy the myth that trade unions are against reform of the labour market and flexibility. Unions must be active in the workplace and, where their interests justify it, in politics as well. The trade union movement should tackle important questions of working hours, economic bottlenecks, education, work/life balance, labour productivity.'

'Surveys show that people want to work less and that many are prepared to earn less. But how will people be able to combine flexible working with financial and social security? The traditional labour safeguards that used to protect people, such as collective bargaining agreements, may not be the answer in the future; even if they are, they may need a radical overhaul. Globalisation is forcing deregulation of the labour market. This is a frontal attack on society and the traditions of the welfare state.'

New challenge from competition

Mr Lutterbach argued that Europe cannot compete with cheap-wage countries. Its strength lies in niche production, technical expertise and flexible skills. 'We have 18 million unemployed people in Europe. Governments are responding to this problem through more co-ordinated economic policies geared towards economic growth and greater employment. These policies are reflected in the operation of the European Central Bank and in the adjustments governments and the EU are making to tax systems to eliminate tax distortions and tax havens in Europe. The way to stabilise and grow employment within Europe is not to reduce the rights of the workforce, but to find new partnerships that allow flexibility and security at the same time.'

The move towards economic stability and higher employment should not be at the expense of workers' rights. 'Yes, the labour market needs flexibility, but we as trade unions need to find new paths that allow flexibility while maintaining security for workers. This should be the goal for trade unions in Europe. There are new concerns for workers. They want flexible systems that cater for specific needs, such as those of women. There is growing competition. Workers need to change skills. Unions in Germany and the UK face the same problem – falling membership. We need to make the movement relevant, to exchange ideas and confront jointly the problems and concerns of workers. We are making a start by creating this forum. I for one hope that this leads to a series of Anglo-German trade union meetings and that together we can work towards a trade union idea of "flexicurity" – flexibility and security for workers.'

People and work

A sound, consistent and stable economic policy coupled with an active labour market strategy, tax benefits and overall market reforms have combined to help Britain achieve falling unemployment levels, according to Matthew Taylor, director of the Institute for Public Policy Research.

He believes that economic stability is the most important element but also credits the government's active market strategies – known as the 'new deal' – with having helped Britain to become one of the few countries in Europe with declining unemployment. The new deal consists of a package of measures designed to promote employment, and is targeted at five main groups: the young; older workers; the long-term unemployed; women; and disadvantaged people (such as minority ethnic groups, one-parent families and people with disabilities).

'The new deal has been successful in ways no one predicted. Projects for subsidising employment have been most effective. For example, one scheme (known as the gateway process) supports people looking for employment by spending money on removing obstacles to their getting work, such as removing a tattoo or buying a car. Active intervention, despite the government's reservations, seems to work and has encouraged more pilot programmes. Investment in training and education has been relatively less successful. There is a need for more programmes that help to improve basic skills, but the government tends to have a 'wait and see' attitude on this.

One interesting, if somewhat paradoxical, outcome of government action is that increased regulation has not had a negative impact on employment levels. Five years ago many argued that increased market regulation would hit jobs, but this has not happened.

A trend over recent years is the increasing length of the working week. The long working hours that UK workers put in – significantly higher than their counterparts in the rest of the EU – may, however, be somewhat misleading. If part-time employees are put into the equation, the number falls. Nevertheless, the average number of hours worked each week in the UK has risen over the past two decades; a forty-eight-hour week is now the norm rather than the exception. However there is mounting pressure for more family- (and life-) friendly work solutions.

Stress is a real and serious problem

Mr Taylor argued that the health and safety issue of the twenty-first century could well be stress. But is it possible for people to choose not to work? In Britain, stuck in a long-hours work culture, people believe that they will not be secure in their old age unless they are able to maximise their income now. 'They choose to work these long hours, believing they must. Human resource management practices which are not just work-friendly, but life-friendly as well, will be needed.'

Other issues must also be addressed. The skills level of many jobs is increasing, while at the same time demarcation lines between tasks are blurring. This is perhaps a problem more for trade unions than for employers. Unions must ask themselves about demarcation, the barriers between different types of workers and the ease with which people can move within professions. Questions about qualifications, training and education must be tackled by trade unions as well as employers. 'Both will need to look at the skills base of workers and acknowledge that investment needs to be made in education and training. Human capital must be enhanced. No worker should leave a job less skilled than when he or she began the job. Employers need to address lifelong education and training issues just as much as the question of stress at work.'

In a broader context, trade unions must find new messages to combat bad employment practices. 'It will be crucial for unions to encourage good employers. They will need to form alliances with the better employers, and discredit the bad ones. Getting good employers "on side" will help unions to take on difficult and important issues. Obviously the interests of employers and unions will not always combine, but unions need to create a space where everyone concerned can listen to the arguments and discuss the issues in an open way.'

Mr Taylor also believes that unions need a new image. 'Perhaps it should become just as important to have union membership on your CV as other skills. Trade union membership should become part of career development.'

Trade union attitudes in Germany and Britain: discussion

Rail guards illustrate the different approaches of German and British trade unions

The forum's first discussion session examined themes, ideas and issues that preoccupied delegates throughout the meeting. These included flexibility, particularly the blurring of demarcation lines between jobs, trade unions' effectiveness in protecting workers, and the very purpose of trade unions: what actually are they defending their members against? The example of the British rail unions' fight against an increase in the tasks undertaken by train guards led to an interesting discussion of the different attitudes in the two countries. British rail unions used strike action to protest against the change, arguing, as one delegate put it, that guards should not 'walk up and down the train selling coffee and tea'. German rail unions responded to the same issue in a different way, regarding the change as positive and acknowledging the benefits to the consumer. British delegates pointed out that one possible reason for the British rail union's reluctance to accept change was a negative reaction against what they regard as the steady and consistent erosion of workers' rights and service standards across the entire rail network since privatisation. Thus the British attitude to the question of guards' tasks was not an issue of flexibility versus inflexibility, but reflected a different approach to a political *fait accompli* with which many other unions in Britain are also grappling. The erosion of its power and influence in both the political arena and the workplace (as witnessed by falling membership levels) has emasculated the trade union movement.

One German delegate pointed out that the rail union in her country also faced similar problems, but over the past three to four years has undergone a makeover, including a change of name and new image. 'We do lobby the government and defend the interests of our workers. But we've also redefined ourselves. We are trying to find a new equilibrium between various interests. We are looking, for example, at the increasing polarisation of wages in the eastern and western parts of the country. We are also looking at the problem of attracting graduates into the union and at our approach to male and female members. We need to tackle many issues besides wages.'

No caricature please, we're British

British delegates were keen to avoid being trapped by a caricature of the UK trade union movement. As one delegate remarked, 'we need to adopt a number of new management techniques, to change our ways of reacting and responding, and to develop new thinking.'

The decline in manufacturing is more severe in Britain than in other countries. We need to be open to clever thinking. Our traditional methods have failed to confront the challenges thrown up by technological changes, by the emphasis on boosting productivity and profitability.'

Unions need to help workers to become responsible for their destinies and to have the power to make a difference. One way unions can do this is to promote lifelong learning and training. 'British manufacturing prefers to focus on technology. But there is virtually no evidence to show that this alone increases productivity and profitability. As unions we are not rejecting change and new technology. The focus of our attention should be on serving the people we represent. Perhaps where we have failed is in our ability to steer the debate about technology and to be effective in supporting and empowering our members through better consultation with them.'

European Union initiatives to increase information rights and promote best practice should also be central to union thinking. However, British delegates pointed out that their experience has been that employers and successive governments have consistently resisted consultation and a greater information flow towards employees. At the same time the trade union movement has failed to take up the issue of lifelong learning and training – one recent survey shows that only two out of every ten trade unions raised this as an issue.

Although the TUC has lobbied for lifelong learning and has encouraged legislation currently being debated in parliament which that could give statutory force to the concept of learning representatives (similar to health and safety representatives), there is still strong opposition from employers, and particularly from groups such as the Confederation of British Industry, to the idea of compelling companies to invest more in training. 'We as unions are saying it is effective and it works,' said one British delegate, 'while the CBI and employers resist any move on the part of the government to force the issue and make it a statutory requirement to support lifelong learning and training.'

German delegates were concerned about similar issues. 'The trade union movement in both the UK and Germany must open up to public/private partnerships, and must also attract young people. In this context it is useful to define trade unions' medium- and long-term interests and the specific policies they should follow. Perhaps unions should build new ways of communicating, become more "customer-oriented" and give priority to satisfying their members.'

Individuals should be at the centre

'Both the German and the British trade union movement should put education and customer orientation at their centre,' remarked the delegate from VERDI (Vereinigte Dienstleistungsgewerkschaft), the new giant Union of Service Trades Unions in Germany. 'We have just amalgamated five different trade unions, all with very different experiences and expectations. We quickly realised that there is no uniform recipe for pleasing members. We need to be careful not to try to find a uniform path – one action for all, one structure, one defence. It is important to look at diversities and to develop European and international exchanges. We need as unions to come together to address international

questions, to find ways of reaching young people at work. We need to move away from traditional structures and find new ways to address issues’.

Winfried Heidemann of the Hans Böckler Foundation picked up this idea. ‘How can trade unions reflect and defend the interests of members and at the same time inform them and consult with them on a more proactive basis? Research reports examining works councils in the iron and steel industry show how we all need to change and adapt to new roles. In the 1960s and 1970s the perception of the works council was that it protected and preserved the *status quo*. The main task was to defend members. The impact of co-determination and consultation has changed the role of unions. Members of works councils now influence decision-making within companies and have realised that only if they accept change will companies, and union members, be able to survive.’

Responding to these points, Steve Sinott, deputy general secretary of the National Union of Teachers, pointed out that British unions have many reasons to view change with suspicion. ‘Changes in the rail system were not to the benefit of workers or customers. Changes in the education service have impacted on education and teachers alike. Many of these changes have benefited youngsters, but some have not, and as a result the quality of education has suffered. Change in industry is enormous and throws up many challenges. Workers are demoralised, lack confidence and are unsure how to view change. We need a constructive dialogue, within the union and with employers and government. In my area there is a high density of trade union membership: over 60 per cent of teachers belong to a union. But there are too many unions competing for the same members. We act as an obstacle to change. My union has tried to make children the yardstick by which we judge change as positive or negative, despite the impact on teachers. What we need to do now is put qualifications at the top of the priority list. We need to support teaching, not just teachers.

Simon Dubbins, European adviser at the GPMU (the Graphical, Paper & Media Union), agreed that there were no easy answers. ‘We have invested a lot in organising people. This has been a learning process and has not stopped the decline of our members. We have faced significant technology changes which have led to closures, but the union movement continues. A lot of trade unions go on the offensive. I think it is more important to go back to basics, to tackle the organisation gap. Our research showed that one major reason people did not join the union was simply because they had not been asked.’

‘The Labour government has continued to chip away at union rights. However we need to create the political framework where we can become a part of discussions on crucial issues such as privatisation. Trade union members have had bad experiences with privatisation: lower wages, worse working conditions, decisions that have destroyed industry and things people hold dear. This has frightened people. I think people want a halt to the privatisation movement, and an increase in investment into public services. But this is a political question. We need more effective solutions not just at national level, but at a European and even a global level.’

Generalisation should be avoided

Lionel Fulton of the Labour Research Department (an independent research organisation for trade unions) warned delegates about the danger of generalisation. 'Although there are many similarities, such as the fall in membership, there are significant differences between the German and British trade union movements. German trade unions in the manufacturing sector are strong; by contrast in Britain the economy's strength derives from the financial services sector, in which union membership is below average. The position of women in the union movement is different in both countries. We need a differentiated approach, responding to the different challenges we face.'

Another British delegate pointed out that the issues of real importance to union members are employment, security, and the use of skills. 'People want interesting and enjoyable work. Yes, pay is an issue, but they are looking at wider issues: how to improve performance and empowerment through investment in training and development. It is clear that employers want highly skilled, motivated, committed and flexible workers. But to have this they need to put into place a base that supports investment in training and leads to a concept of security and employability. Trade unions should focus on this in their negotiations so that they can shape the future. There is very little within companies that trade unions cannot help to solve, so perhaps we should act as consultants within companies. If we start to deliver solutions that help employers discover what they need and address issues such as skills, marketability, transfer of training and portable careers, we will attract more members. The focus in British companies is too much on management training, not on the workforce. If employers want more flexibility from people, they will have to train them and involve them. We should become partners with employers, helping to shape the outcome of strategic decisions, introducing best practice and benchmarking and providing knowledge and examples from across the UK.'

Wolfgang Lutterbach, international secretary of the DGB, argued that German trade unions appear to be in a better position to take advantage of this approach. Through co-determination and works councils, German workers seem to have more control over their destinies. But the reality is not quite so clear-cut. 'The future of the trade union movement is not clear. We need to ensure that we lead the debate about social and economic conditions. People see the trade unions as reactive. We must concentrate on the new centre. It does not matter who wins elections in Germany, whichever party is in power the labour market will continue to be deregulated. But if we are not political partners, we will not be included in the discussions.'

In contrast with political movements and employers, the trade union movement has fallen behind in developing Europe-wide activity. With almost 70 per cent of legislation originating in the EU, it is important that trade unions defend their interests and workers in the European context. 'We need to be more professional and make a larger contribution to the overall political debate at a European level.'

Micha Heilmann, head of the labour law and business policy department at NGG (Gewerkschaft Nahrung-Genuss-Gaststätten, the German food and catering industries union), pointed out that the food industry is at one and the same time one of the most globalised industries but also very local. 'We encompass the big multinationals, such as Philip Morris, as well as small local suppliers. As a union we face many problems trying to

be relevant to potential members. If we talk to students in the hotel business, they are not very interested. If we go to places like McDonalds and Burger King, we find students who are working to finance their studies and are only there for a short period of time. These and other patterns are breaking the traditional structure of the trade unions.

'People are no longer taking a traditional approach to employment and following a career ladder in one company. Unions should reflect this. If we cannot influence working conditions, advance individual careers, and provide improvements, then people are not interested.' How we work within Europe is important. Although we need to lead and help form public opinion, we fail to do so, and we are losing influence. We need to show what we stand for, how we can make a positive contribution to work and how we support employees in general.'

Encouraging young people

Echoing some of Mr Heilmann's points, Christiane Benner of IG Metall (the German metal workers' union) outlined practical examples of how her union was gaining young members and actively promoting new structures that benefited both companies and employees. 'Together with VERDI We are going to university campuses to talk with young people about their future. We are advising them and discussing their employment options with them. Many people working in IT are employed by small companies, and so this is a way of reaching them. We are also attending fairs and exhibitions, and talking about the worth of jobs, changes in IT and the ability of people to develop in this sector. We have set up regional networks to demonstrate to IT employees the benefits of works councils. Our strategy has met with some success. We are developing links with new-economy companies, and we are opening discussions with potential members. There are many different ways of being successful. Unions also need to develop politically and create more democracy in their own structures.'

New patterns of employment and human resource management

British unions lack legal or regulatory support

Briefing German delegates on the position and role of trade unions within the management process in Britain, Lionel Fulton of the Labour Research Department outlined some fundamental differences between the two countries. Unlike their German counterparts, British trades unions have no guaranteed right to participate in the management process, nor do unions have a legally enforceable right to represent the interests of workers. Nor, apart from recent legislation on the minimum wage, are wage levels regulated.

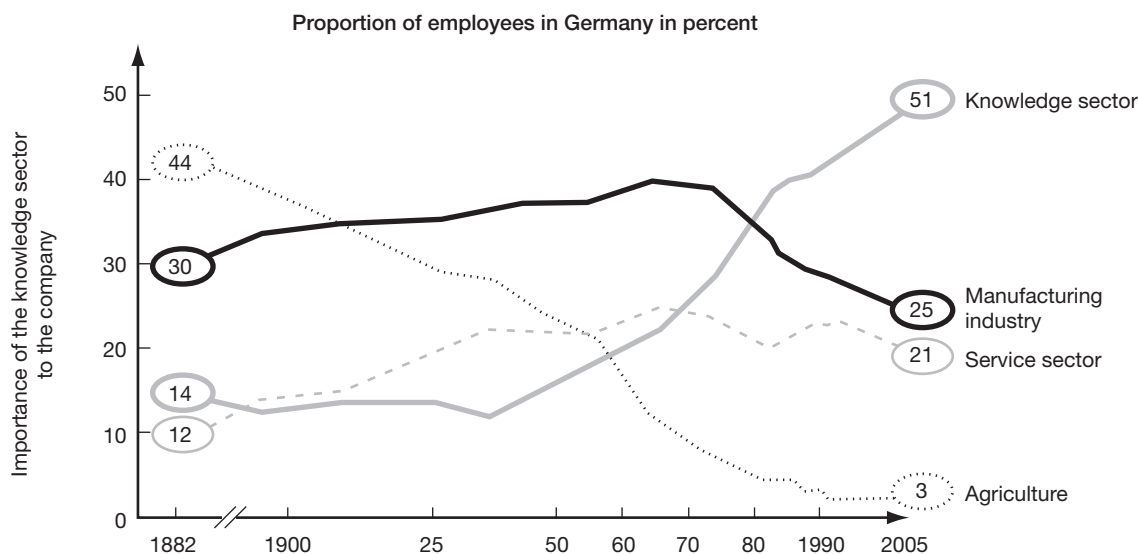
Only 23 per cent of managers responsible for conducting industrial relations in Britain are specialists in this field, and of these over a quarter had no professional qualification. About 36 per cent of employees are subject to national wage agreements, and this proportion is declining rapidly. National agreements are still widespread in public administration (covering 78 per cent of employees), in utilities such as gas, water and electricity (64 per cent), and in education (63 per cent). However, in manufacturing such agreements apply to only 31 per cent of workers, and in the hotel and catering industries to just 9 per cent.

As a result of the limited regulation of wage levels and the decline of nationally negotiated wage agreements, decisions about wages are increasingly taken by individual managers who are answerable to no one but shareholders. Mr Fulton cited Vodaphone as a major British company which claimed to have developed systems for the representation of employee interests with no trade union involvement.

In theory, modern human resources management practices aimed to produce a fully committed workforce, giving careful attention to recruitment, training, reward and communication. Rewards should relate to performance, and should also be in line with market conditions. They should be based on performance assessment, and should be flexible enough to take account of regional variations in the market place. In practice, however, reward systems are often complicated and difficult to implement, and are not accepted as fair by employees. The theory cannot accommodate issues such as equal pay legislation or the prospective legislation for information and consultation rights at a national level. Nor can it take adequate account of issues of increasing importance to many employees, such as stress and the work/life balance.

German system must reform to meet challenges of new economy

In his analysis of the German employment situation Norbert Kluge of the Hans Böckler Foundation argued that the consequences of the recent crisis in the new economy will continue for some time. Changes in the new economy will continue to impact on and prolong the significant structural changes already seen in employment patterns within Germany and elsewhere.



Source: Winfried Heidemann 04/02, Hans-Böckler-Stiftung

Figure 1
New economy after its decline: business as usual – or what’s new?

In this new structure, science will dominate. Intellectual capital will be the important factor. Research already shows that this is happening, particularly in the service industries, but also in fringe industries such as agriculture. These changes will take place in both Britain and Germany. The proportion of workers in industry will decrease still further, while knowledge-based industries proliferate. The emerging new industries will need highly qualified employees; so too will large companies such as BMW and Siemens. The entire employment system is gearing towards a model in which experience and knowledge are the most important factors in a person’s job prospects.

In future people will need more qualifications of a higher standard. It will be essential for employees to renew and expand their skills constantly throughout their working life. This fact alone will change the value of human capital and will impact on labour relations.

Mr Kluge predicts that relations between employees and employers will blur and become more difficult to define. ‘One cannot assume that a company will last forever. It may be created for a specific purpose and then be disbanded. New types of employment will make different types of participation necessary. Both employers and employees will need

to develop their relationship in order to gain the best performance. This new relationship will create new opportunities as well as new models of employment, but it may also lead to a polarisation between people with higher qualifications and those with few or none. We need to be aware of both ends of the spectrum and to protect workers at both extremes.'

Works councils have wide-ranging rights

Under the Betriebsverfassungsgesetz (Works Constitution Act) of 1972, works councils in Germany are given extensive rights of information, consultation and co-determination. The employer must provide the works council with timely and comprehensive information on all matters related to the discharge of its functions.

In companies with over twenty employees, information must be given, 'in full and good time', on reductions in operations and the introduction of new working methods. Consultation rights cover planned structural alterations to plants; prospective changes in equipment and working methods that affect job requirements; all decisions relating to manpower planning; and individual dismissals.

What distinguishes the German works council (Betriebsrat) from its European counterpart is an explicit set of co-determination rights on social matters: the beginning and end of working hours; remuneration arrangements (but not wage bargaining); the regulation of overtime and reduced working hours; the introduction and operation of technical devices to monitor worker performance; and health and safety measures. In all these areas failure to reach agreement leads to an adjudication through a conciliation board. In companies with over twenty employees, the works council may also negotiate 'social plans' which establish compensation for the dislocation caused by plant closures or partial closures, major changes in organisation or equipment, and the introduction of new working methods or production techniques.

The Act provides for works councils to be elected in all companies that normally have five or more permanent employees, all of whom must be at least eighteen years of age and three of whom must have at least six months' service.

German works councils are often thought to operate in all companies that exceed the size threshold established by law. However, they do not automatically exist, and, despite their extensive legal powers and their importance for labour relations, not much is known about how many there are and the size of the companies where they do exist. According to two recent large-scale studies, only about one-fifth of companies covered by the legislation have a works council, although these account for the majority of employees.

The works council directive enacted by the European Commission in 1994 established multinational works councils in European-level enterprises. Works councils must be elected in all enterprises that normally have five or more employees. The size of the works council is prescribed by law, ranging from one to thirty-one members in enterprises with up to 3,000 employees. Works councils are formally independent of unions and represent the entire workforce, union members as well as non-union employees.

The importance of transparency

'The goals of present-day managements are transparent. They are putting into place new management techniques and participation models based on the core group of people from whom they get the most profitability and productivity. How should unions react to this?'

In the 1980s and 1990s teamwork was the buzzword for human resources management. There was more autonomy in the workplace, which was not reflected in the management structure. Decentralisation and independent forms of work were exploited, particularly if they related to knowledge-based work. For example, one factory in Germany adopted a new work model, based on production teams, that led to high productivity gains. Orders were placed in the middle of an open-plan assembly hall. Each group could pick up an order and fulfil it as it decided, the only limitation being that the order had to be completed in two days. This gave the teams complete flexibility over its working hours – a valuable gain in an area where many workers were also farmers. This progressive model provided a win-win situation for everyone. The company was highly productive, and had a structured and effective works council. However, this type of production did not gain popularity, and came to be seen as a one-off exercise, mainly because managements tend to resist delegating power downwards and making the workforce autonomous.

Co-determination defines rights

Co-determination defines a set of rights that give employees the possibility of actively participating in shaping their work environment. This includes legally stipulated co-determination rights and internal company agreements devised in conjunction with union contracts, as well as informal decision-making that has arisen from co-determination practice. The institutional core of co-determination is the industrial constitution and corporate co-determination.

Corporate co-determination is based on three laws:

- the Coal and Steel Industry Co-determination Law (1951)
- the Industrial Constitution Law (1952) *and*
- the Co-determination Law (1976).

Under co-determination, the management board manages the company and plans, co-ordinates and supervises the company's activities. The supervisory board:

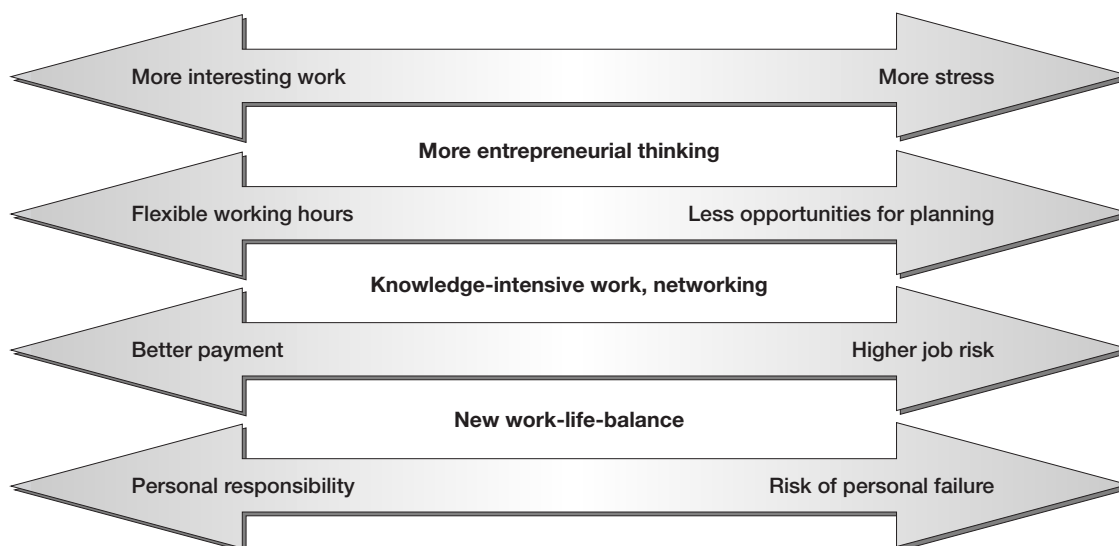
- appoints the members of the management board for a fixed period of time and is also responsible for employment contracts (salary) and the number of senior managers
- monitors the board's management of the company's business operations
- can draw up lists of business operations that are important for the company and of those that will require its approval
- scrutinises the annual accounts, the annual report and the proposals for the disposal of profits and provides a written report on these for the annual meeting.

'It is difficult for management to let go and allow even highly qualified employees into the information flow. On the whole insufficient information is provided to allow people to make strategic decisions. It is natural that workers, who enjoy full autonomy in other parts of their lives, should also want to have some influence on decision-making.'

Such responsibility is a two-edged sword: it offers employees both opportunities and risks. 'There are no certainties in the new economy. A person may have more liberty to organise his life, and work may be interesting and create more opportunities, but it also leads to more stress. There are no limits, and there are more burdens. Flexible working can also lead to fewer opportunities to plan a work/life balance. Workers have more responsibility, but they risk personal failure, which could have a negative impact on their future job prospects. Changes in a company's structure also lead to more risk and uncertainty about its future.'

The shift in emphasis to meeting customer needs to the just-in-time method of working creates huge challenges and opportunities, and also pushes the limits of safety and security in the workplace to its limits. It is also only possible with a flexible workforce. Although this new model – constant structural change, different and varying working hours – is geared towards the direct participation of the workforce, this is not happening. Employee representation and co-determination remain important.

The co-operative work model has greatly influenced the success of works councils and has been most popular in companies with strong worker representation. It seems that new forms of direct participation may lead to more – not less – co-determination. However the two forms can co-exist and work closely together, as independent research has confirmed.



Source: Hans-Böckler-Stiftung

Figure 2
New demands on employees – chances and risks

Trust is needed on both sides

According to Mr Kluge, a 'trust contract' lies at the heart of the management-works council relationship. 'Co-determination may be a way for workers to embrace new practices and new forms of human resources management. For example, if a company wants some kind of change for cost reasons, the works council is more likely to approve a change, even without prior agreement, if a bond of trust already exists between employers and the council.' However, there are companies where management and workers co-operate without a works council structure. For example, one software company with over 1,000 workers does not have a works council. 'They maintain it is not necessary for the new economy and that the company culture promotes trust. Representation is relaxed. If asked, people see the structure as a quasi-works council and say that they can always form a real works council later.'

Mr Kluge believes that these developments in Germany are important for future trade union strategies. It is clear that autonomy in the workplace will grow, but at present this does not mean that employees are – or can be – responsible for all aspects of that future; they need some security of income. Trade unions can provide advice, consultation, coaching and help, particularly in areas such as health and performance related pay.

Human resources management must also be open to different ways of approaching old problems. Trade unions will have to be taken seriously but at the same time will have to perform new and unusual tasks. The methods and principles of consultation, information and co-determination will remain. 'Corporate governance and co-determination can co-exist. There are some examples outside the German model as well as traditional ones in Germany. But all these examples are in larger companies, not in the small- or medium-sized industrial sector, nor in financial services.'

The EU directive on works councils and information could become the catalyst for discussion of these developments. 'We in Germany believe we have a good law for co-determination. This is not the case in Britain. We need to create a flexible way of handling conflict. But the common challenge for all trade unions in Europe will be to understand the workplace of the future, to balance autonomy and responsibility, and to keep a strong position within labour markets as qualified and knowledge-based workers increase in number. It may be the destiny of workers to suffer more stress, but companies will also need to invest more in their employees.'

Trade union responses to new patterns of employment and management

Trade unions must grasp opportunities

Do any common employment and management trends exist in both Britain and Germany? Or are trends limited to just one of these countries? Delegates discussed these and other questions linked to new patterns of employment and management.

Gero Maass of the Friedrich Ebert Foundation asked whether the trade union movement wants to co-operate with the new pay models, such as performance related pay, that are developing. And, if the answer is yes, how can control of these new models be shifted towards unions and away from management?

Delegates agreed that there was a gap between the theory and the implementation of many the 'new' management techniques designed to make wage and work conditions more equitable. One German participant wanted to know if countrywide agreements were still important to the unions, particularly in Britain. Has management has taken the initiative and has the influence of trade unions declined? The situation in Germany is also changing. Collective agreements used to apply to the vast majority of employees. Now they are less important in the five new states (former East Germany) but are still used extensively in the western part of the country. At the same time, unions are asking whether there should be countrywide agreements or whether agreements relating to a particular sector or region are preferable. 'It is a question of decentralisation, devolution and company-specific arrangements,' commented one German participant. 'The unions want to maintain countrywide deals, but also want to open up the possibility of individual agreements. Perhaps Germany is better positioned than Britain to pursue this strategy as we have work councils and co-determination to support us'

Other participants pointed out that the trend is to work with management, usually through the works council, to reach agreements. 'We need to be more flexible,' said one delegate. 'We see management putting a sum of money on the table, but saying that it will decide how that sum is distributed. As unions should we merely negotiate the total sum or should we also fight for involvement in the distribution of pay settlements? We should also be trying to improve wage levels across the pay spectrum.'

Are collective agreements a thing of the past?

Simon Dubbins, European adviser to the GPMU, pointed out that his union was one of the few still able to negotiate collective agreements. 'In general such agreements do not exist in Britain, except in the public sector. One of the reasons may be that we don't have works councils. The European co-determination directive gives us the opportunity to build a

framework structure, but it is unclear if the government will implement the directive as it was intended. It is fighting a strong lobby from the Confederation of British Industry which pays lip service to the directive's aims.'

'In Britain, unlike Germany, there is no obligation to share information. It is a battle to force employers to allow employees to share in company strategy and decision-making. Changing the attitudes of human resources management is harder in the UK, where we have no tradition of such an approach, than it is in Germany where works councils and co-determination have existed for many years. This is why it is important that we force issues on a European level.'

A German delegate asked how unions should respond to performance related pay. Unions are influential in some of the larger companies where works councils are strong, but in most cases works councils are weak and co-determination is minimal.

Norbert Kluge of the Hans Böckler Foundation believes that there may be misconceptions in Britain about the strength and spread of works councils and co-determination. 'We are not as well organised for collective agreements as you may think. Not all companies have works councils, and despite the law they exist in only half of private-sector companies. The proportion is even lower (38 per cent) in east German companies. Co-determination is strong in public-sector organisations, but is declining in the private sector, particularly in the industries where trade unions are most necessary, i.e. in areas of low-paid work. In short, I believe that we are facing something of a crisis, particularly in knowledge-based industries where union membership is very small.'

A British delegate pointed out that in order to discuss collective bargaining we first must examine unions' own membership and communication structures. 'Collective bargaining puts considerable pressure on communications. Most union representatives prefer regional rather than national collective bargaining. Even then we struggle to make members feel involved in the process. Sometimes I think that in Britain we fail to meet our responsibilities to keep members involved and informed. We have failed to empower members. Many see little point in joining a union in a company or organisation that has a collective agreement. We need to be sharper and smarter in communicating with members.'

Nikolaus Simon, director of the Hans Böckler Foundation, suggested that delegates were perhaps looking at the individual pieces of the puzzle and not seeing the whole picture. 'I feel that we are fighting tooth and claw, that we have been fighting for the past twenty years to come up with proactive ideas. We see a complicated picture, not a simple one. How do we deal with this? How do unions become involved in the higher levels of negotiations? Can we supply some creative ideas and models?'

Some positive examples of help

Christiane Benner of IG Metall responded with examples of how her union was responding to changing management and labour structures. 'We have begun some initiatives, creating networks where members can exchange ideas and focus on common themes, supported as necessary by IG Metall and other independent institutions. This

network is a bottom-up organisation geared to promoting self-help and the exchange of ideas and focusing on delivery to members. The network is also enabling companies to gain new ideas and information that help in decision-making. Both human resources management and trade union policies need to incorporate new ideas, models and thinking. For example, performance related pay is a power issue. At present it is a pure management decision and we need to shift that power.'

Ms Benner outlined a network of union representatives of IT workers in lower Saxony. 'The IT connection allows information on the various agreements within companies to be publicised. We have put together a framework agreement linked to standards which are posted on the internet for employees and employers to consult. We use a similar technique when we go to fairs and exhibitions. We try to present measurable criteria that can be used to impact on negotiating positions.'

'Traditional works councils must be sensitive to the changing environment and use framework contracts. For employees who fall outside the works council structure, it is even more important to provide a model contract, guidelines, a set of criteria, and guidance on what is happening throughout the industry. We need to give individuals within companies reference points, particularly those employed in small companies and in the IT sector where there are few works councils. In short, we need to empower people.'

A British delegate reported that there have been some attempts to provide similar levels of support to union members in Britain. The post office union has set up national, regional and local teams to enable people to discuss problems and exchange information and ideas. This has resulted in new types of pay agreements and systems of work that are better than the traditional confrontational pay negotiations. 'Some companies, such as British Telecom, are keen to maintain annually negotiated national collective agreements. But in the post office environment, for example, it is difficult to keep this model. The restructuring of the post office, and the introduction of new services, particularly by Post Office Counters, do not lend themselves to an overall agreement. In addition, management wants to put individual performance levels at the heart of pay agreements. In some areas we have introduced a points system which has allowed individuals to advance more rapidly up the pay scale. In other areas, we have not been as successful.'

The conundrum of performance related pay

Performance related pay is perhaps the most controversial new element in pay negotiations in both countries. Trade unions have some tough choices to make: do they want to co-operate with this type of pay and if so, how do they influence the assessment process involved? What new concerns about the protection of employee rights does performance related pay throw into wage negotiations?

Ms Benner believes that unions need to develop new processes and look carefully at what performance related pay is about. 'What do we want as unions to achieve? We have to see an identifiable outcome for our members. At IG Metall we advise university graduates who are looking for employment. They favour larger companies such as IBM and Siemens

which offer security. But, in the new services sector, performance related pay is increasingly the norm, and as a union we have no clear approach to this.'

Lionel Fulton of the Labour Research Department believes that industrial agreements, the traditional negotiating structures, are changing in both Germany and Britain. 'We must tackle a number of issues. First, performance related pay means different things to different people. We need to make clear how performance is judged and who is doing the judging. In reality the process is not objective, and managers often base decisions on likes and dislikes. So we need to keep focused on how performance is judged.'

'Another point to keep in mind is that to some extent all pay structures are dictated by the fashion of the moment. Performance related pay is now in vogue. A new system could well replace it in a few years. I see considerable problems with performance related pay. It is not a fair system, and because people believe it is unfair they do not buy into it. That makes it difficult to operate and creates even more problems. But if we do get involved in schemes of this kind we must focus on issues such as how far unions will be involved in appraisals. Management is using pay as a tool to achieve its aims. How will unions be able to influence or direct that process? '

Mr Kluge pointed out that greater autonomy, the individual's ability to influence their own work, flexibility, and opportunities for choosing an individual work/life balance do not easily lend themselves to collective or national agreements. 'We need to look at minimum standards but apply agreements at a more local level that meets the particular needs of workers. Performance related pay is dangerous. While we may be able to establish some principles to implement it, we should be concentrating on empowering people and helping them build and apply their own solutions.'

John Edmonds, general secretary of GMB, also condemned performance related pay. 'It is rarely based on factual evidence. It is unfair and unpopular: not just with employees, but also with management. Research shows that when managers are asked to judge people and allocate staff to different levels, they place almost everyone in the middle. Placing people in a high or a low position causes problems – they want the support of their staff and making judgements about performance is not a way of gaining popularity. In general management is given too much discretion over performance related pay. We need to look at tactical questions. Are we for or against performance related pay? If we accept it, how can we make what is the subjective opinion of management more objective? In the end the issue is one of power, and we need to find a way to shift power away from management and towards the union.'

A German participant commented: 'If we are not opposed to performance related pay in principle, we must introduce more objective criteria and make the system as transparent as possible. We should look after people during the evaluation and assessment process and ensure that no one falls through the net. We must also insist that, if someone does not measure up, training is part of the solution so that they can to gain the skills they need to be given a higher performance rating.'

Winfried Heidemann of the Hans Böckler Foundation believes in fair play. 'I do not accept the communist principle of equal pay. Equally I reject this new system. How can we justify differences in pay when the only reference point is "performance"? The performance of an individual cannot, and should not, be judged by quasi-objectives in a quasi-objective manner. It is time for the trade unions to generate some new ideas. We must have our

finger on the pulse of society and our members. We maintain that Germany's co-determination and works councils are great. But they are not perfect, and they do not work for everyone. So we must build new institutions and develop new ways of thinking.'

Mr Dubbins ended the discussion by asking how trade unions can tap into the aspirations of their members. 'Career structures and the quality of work and life are becoming more important. How do we link these concerns into the human resources management system and into pay systems? How do we put these ideas on the trade union agenda? All too often the debate on performance related pay sidesteps important issues of equality and the problems faced at work by women and minority ethnic groups. These people are the ones who benefit least from performance related pay systems.'

Learning, training and qualifications in Germany

German system undermined by rapidly changing economy

Education, and the dual apprenticeship training system, are widely credited with providing basic support for the German economy. However, rapid and continued economic and social changes are now undermining the system.

Winfried Heidemann, head of the qualifications department at the Hans Böckler Foundation, argues that profound reform is required. 'Even now there are deep divisions between the general education and vocational training systems as well as a growing gulf between initial and further vocational training.'

The dual system originated in the 12th century as a way for merchants and traders to pass on their skills. Dual training takes place at two locations, within the company and at part-time vocational colleges; the priority for training lies with the company.

The main aim of dual training is to provide practical work experience and make an individual employable at the end of their training. The system reflects German occupational patterns, focusing on stable, industry-wide occupations. Course curricula, which follow strict guidelines, lead to a national certificate. Without a qualification, people are effectively excluded from higher paid jobs and professions.

This highly regulated system, maintained by co-operation between employers, trade unions and government working together, worked until now because of Germany's industrial structure, in which larger enterprises were prepared to support training. Beyond the dual system, the only major training schemes are government-organised programmes focused on training for the unemployed.

The growth of the new economy, with its low level of regulation and government involvement, has put pressure on the dual system. Technical developments, economic globalisation and new business strategies have weakened the old occupations. The idea of training for lifelong employment in the same occupation, preferably in the same enterprise, is now a thing of the past. As a result, Germany's traditional training system is in crisis.

Decreasing numbers of young people are seeking places in the dual system, and the proportion of young people entering the workforce without such qualifications is increasing. Participation in further training is lower than the European average, and the proportion of long-term and older unemployed people, and of people with low qualifications or none at all, is higher in Germany than in other developed nations. This trend has been confirmed by a survey carried out by the OECD's programme for international student assessment (PISA), which shows that German students lie well behind those in most developed nations.

The results of the PISA survey, combined with the changed economic environment, have spurred the government into reforming the existing system to reflect the growing importance of communication and personal and social qualifications.

Germany's response has combined national programmes and EU initiatives. Mr Heidemann argued that 'the new economy is more than just a burgeoning IT sector – it extends to every economic sector. It representative of new models of economic activities in all sectors. Globalisation and the rapid exchange of information are crucial to production. New forms of employment and work organisation, and new quality standards for products and services all have a major impact on education and training.'

The German dual system under pressure

Merits of the past	Burdens for the future
Training of skilled workers not for a single job, but for long-term stable occupations	Lack of training places/decreasing participation
High level of people with formal qualifications	Precarious transition from training to employment
Low level of youth unemployment	Increase in number of people without formal qualifications
System aimed at lifelong employment in the same occupation with the same employer	Low level of university access High unemployment of older and low qualified persons and the decline of lifelong employment

'Employability is linked with lifelong learning. To find and retain a job, individuals will have to be prepared to renew their qualifications continuously and to take more responsibility for achieving individual goals. The new buzzword is employability. Employability is one of the main aims of the EU's growth and employment strategy and is the clarion call for those pushing lifelong learning, which itself is the prerequisite for the knowledge-based society. The key question now for the German training system is whether it can be adapted to respond to the rapid changes in employment structures and provide the necessary lifelong training.

PISA survey shows gaps in OECD countries

PISA, a three-yearly survey published in March 2002, assesses the knowledge and skills of fifteen-year-olds in the principal industrialised countries. The study assesses the extent to which students near the end of their compulsory education have acquired the knowledge and skills that are essential for full participation in society.

The study presents evidence on student performance in reading, numeracy and science; reveals the factors that influence the development of these skills at home and at school; and examines the implications for policy development.

PISA, the programme for international student assessment, is co-ordinated by the OECD, as a collaborative effort among the twenty-eight member governments and four non-member countries. The next survey will be carried out in 2003 when all thirty OECD countries will take part together with thirteen non-members.

The results of the survey showed that UK students were significantly above average in reading, mathematics and science. Countries consistently below average included

Germany and Italy. Germany was also one of the countries with the greatest inequalities in reading, with poor performing students dragging down the average.

More information on the PISA report can be found at www.PISA.oecd.org

Enterprise role increasing

Further vocational training has already undergone change, with in-house learning and training becoming more important. From the 1980s onwards this trend has been linked directly to production processes, which are usually company specific. Training within the company became an informal process, giving employees experience but not recognised transferable qualifications. At the same time new ways to manage human resources and organise production have emerged.

Training has thus changed from a highly regulated, single event to an ongoing, integral part of working life and career advancement. However, skills transferability to other companies or labour markets is not possible in an informal system. A link between learning at the workplace and formal qualifications needs to be created.

Government pins hopes on alliance for jobs initiative

Unemployment has been persistently high in Germany in recent years. More than 4 million people are now officially registered as unemployed.

A major issue of the 1998 election campaign in Germany was employment. Chancellor Gerhard Schröder promised to establish an 'alliance for jobs' to increase the number of people in work.

Although earlier attempts to initiate formalised tripartite consultation failed, the government places great hopes on a new alliance, the Bündnis für Arbeit, Ausbildung und Wettbewerbsfähigkeit (Alliance for Jobs, Training and Competitiveness). The Alliance is modelled on the Dutch Labour Foundation (Stichting van de Arbeid).

Following the Alliance's first meeting in December 1998 senior representatives of government, trade and employers' associations and trade unions issued a common declaration that set out the structure of the Alliance:

- The highest-level committee (the Spitzengespräch) is chaired by the Chancellor. Other participants are leaders of trade unions and trade and employers' associations.
- A steering committee is responsible for co-ordinating and directing nine expert groups as well as preparing for the Spitzengespräch.

- One expert group directly supports the steering committee. Its role is to identify problems and establish a uniform set of data and economic indicators, establishing a common basis for future action. One of its outcomes has been a proposal on the low-wage sector.

Eight sub-groups consisting of representatives of government, trade and employers' associations and trade unions cover training, tax policy, life working time and early retirement, pension reform and unemployment insurance, reform of health insurance and care insurance, eastern Germany and severance pay.

More information about the Alliance is available at:

www.buendnis.de (government information)

www.dgb.de/schwerpunkte/buen_einleitung.htm (trade unions information)

*www.arbeitgeber.de (trade associations' search engine; information is provided under the keyword *Bündnis für Arbeit*).*

None of these sites provides information in English.

Another problem facing Germany is the low number of people who continue training during their working life. Germany's response has been to develop further training structures. Although these are at a tentative stage, they are expected to impact on future employment patterns. Plans include creating new regulated training schemes; making existing training schemes more flexible; breaking training courses down into modules that individuals can study in their own time; and finding ways to make it easier for people to continue further training.

Discussions about how best to achieve these goals and to develop the appropriate training organisation is being channelled through the Alliance for Jobs, Training and Competitiveness programme inaugurated in 1998. This initiative has made training a government priority. The main aims of the scheme are to:

- provide sufficient training for young people, including those not yet able to start a regulated training scheme
- improve the link between initial and further training
- secure a framework for lifelong learning through collective agreements between trade unions and employers' organisations
- establish individual working time accounts for further training
- introduce job rotation, a new instrument linking the labour market and training policy. Originally developed in Scandinavia, job rotation combines further training of employees with temporary employment of the unemployed. Employees undertake further training courses while the unemployed workers take over their jobs, so gaining practical work experience and increasing their chances of finding long-term employment.

One of the most successful programmes has been 'Jump' (new perspectives for young people), a government project designed to include young people in training. Although it is not possible to provide all young people who want an apprentice placement with one, Jump has helped to reduce youth unemployment rates. Follow-up initiatives are being

introduced, building on best practice from other EU countries and the common European employment strategy.

Another initiative is based on the 'JobAktiv' legislation, introduced in January 2002 and designed to invigorate and modernise training programmes. (Aktiv stands for activation, qualification, training, investment and co-operation.) The main aim of these measures is to help unemployed people to re-enter the labour market as quickly as possible. Priority is given to training, and emphasis is placed on the individual's responsibility for participating in training programmes. Temporary work, which provides hands-on experience, is used to help prepare individuals for permanent jobs. Government subsidies support further training for employed older workers.

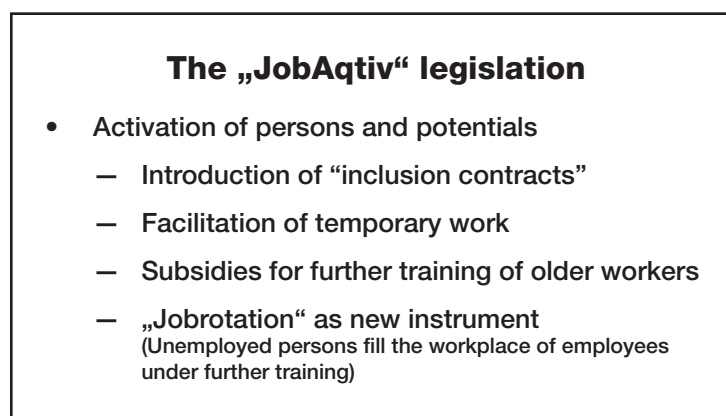


Figure 3
“JobAktiv” legislation, introduced in January 2002

The government is also introducing collective framework agreements on conditions for lifelong learning. To date one such agreement has been negotiated. The agreement with IG Metall in Baden-Württemberg gives all workers in the metals sector the right to have regular discussions with management about individual training needs. It also gives employees the right to leave of absence for personal training.

Framework for lifelong learning

Sector agreement IG Metall (metal industry) June 2001

Right to:

- regular discussions with personnel on further individual training needs
 - involvement of workers in assessment of training needs
 - individual agreement on training measures
 - leave of absence for personal further training with right to return in enterprises with over 50 employees and if the employee has worked there for at least five years
 - Joint implementation agency of the social partners
-

The government will also provide subsidies for low-qualification, low-wage jobs. The idea for this controversial measure, which some experts believe will help to boost employment levels, came from the benchmarking group of the Alliance for Jobs. The group, which consists of five experts from universities and research institutes, argues that the service

sector in Germany is underdeveloped and that low wages are creating an employment gap. Subsidies will raise pay levels in these jobs, so that employees are paid at least as much as they would receive in unemployment and welfare benefits. Trade unions fear that the system will be used to create low-wage jobs for unemployed people previously employed at a higher wage. But the government believes that this is one way of tackling the problem of rising 'hard-core' unemployment, particularly among older and low-qualified people.

While the government wants individuals to take responsibility for their own training, it also believes that public authorities must respond creatively to the training and education gap. Ideas include introducing some market elements into the education and training system, e.g. financial contributions, and making training and education organisations more 'customer' oriented. The traditional closed curricula and education and training schemes are being replaced by a system based on individual modules where people can pick and choose different training units.

Learning, training and qualifications in Britain

British seems pole-axed by polarisation

'Britain's training and education has become polarised to an extraordinary degree,' was the forthright opinion of John Edmonds, general secretary of the GMB, Britain's General Union, pointing out that 23 per cent of the population has major problems with literacy and numeracy. 'In short, these people cannot read and write beyond the level of an eleven-year-old. At the other end of the spectrum, 30 per cent of those aged eighteen to twenty-one are attending university. This illustrates the polarisation of our education and training.'

Mr Edmonds argues that Britain's problems lie in the middle ground, especially with craft and technical training. 'On average Britain trains less than half the number of people in crafts as Germany does. Worse, the existing training system in the UK is exacerbating the problem. There are few opportunities for anyone leaving school without a qualification to gain one and little chance for having any training throughout their working life.'

An education report issued in 2001 showed that about 80 per cent of training opportunities go to people who already have qualifications. 'Our existing system only reinforces the polarisation created by the education system. The result is that 32 per cent of our working population lacks any transferable qualifications. This means that if they want to go for another job, they have no evidence of their skills. They have nothing to 'trade' with a new employer. On the other hand, a very high number of people compared with many other European countries attend university and have degrees.'

This situation is reflected in Britain's industries. 'We are short of technical engineers, but we have too many research engineers. Vast numbers are trained to the highest level, but too few people are able to fix anything. This is our new British disease. Too many people want to do high-grade research and too few want to work on the shop floor. This is a general pattern that dominates all our industries.'

Companies in Britain have no trouble recruiting university graduates or unskilled labour, but find it difficult to find technicians – the middle level workers on which every industry depends. 'We have people who can make the technological breakthroughs, who are great at research. But we don't have the people who can convert those breakthroughs into production. Outside manufacturing, in the service sector, we have a similar problem. For example we have twice as many managers in our hotels as in Germany or France, but we have fewer people training at the craft level. The result is that we have too many managers trouble shooting because there is no skilled labour. At the other end we have more unskilled workers than comparable industrial countries. This is causing enormous social strains and is a clear drag on our economic performance.'

Policies reinforce problems

Government policies, says Mr Edmonds, are only reinforcing the present problems. One of the government's main objectives is to increase the number of young people receiving a university education from about 30 per cent at present to 50 per cent by 2010. 'A cynical interpretation of this policy is to say that the government is catering to the middle-England voter. Traditionally, Britain's middle classes are interested in education, particularly in ensuring that their children receive a university education.'

There are, however, worries that the push to increase the number of people with degrees will affect the quality of university education. One way to meet the objective has been to redesignate the polytechnics that concentrated on higher-level vocational skills as universities. 'This was mainly a re-labelling exercise. But there is no sign that there is a general decline in university standards, which remain high.' The real concern is that this exercise will divert investment from weaker educational areas into the university system.

Another government initiative aims to tackle the problem of growing illiteracy. Considerable money has been spent on improving primary education (for five- to eleven-year-olds) and the result has been a substantial improvement at that level. Now the government plans to tackle secondary education (eleven- to sixteen-year-olds) by reducing class sizes, increasing the number of teachers and schools, and imposing more rigid central control over the curriculum. The focus during the next five years will be on improving basic skills, with less emphasis on flexibility of subject choice compared with the past.

But these government initiatives only address part of the problem. In most cases vocational training is left to people who are already employed, and the system is entirely voluntary. There is no legal basis to pressurise companies to spend money on training their workforce.

'There is no sign of any change within industry. There is a close correlation between the size of company and the amount of training offered to employees: the larger the company, the more chance of training; the smaller the company, the fewer are the opportunities to receive training. Many believe that the solution is to compel companies to provide training by law. Just as we now have a minimum wage backed by law, we should have a minimum training requirement.'

There is significant resistance to this idea. Medium- and small-sized companies say that they cannot afford to train staff and see little or no economic return on such investments. The rapid turnover of staff also contributes to this attitude. 'Many companies reason as follows: why spend the money on training staff who then leave, giving competitors the benefit?'

But even the amount of training larger enterprises undertake is insufficient. Compared with its major industrial competitors, Britain has fewer people trained to craft or technical levels and the gap is widening. The business community strongly resists compulsory measures to change this situation, and the present (and previous) government is reluctant to upset business. 'Britain's strong free market position is standing in the way. In general we believe that the employer should decide if training is needed.'

Training to meet the wider needs of people and industry

Another issue is the narrow scope of the training that people do receive. 'Training is almost always job-related and related to a pay-back to the employer. We need a lot more training at work. Germany and other EU member states are doing better at this than Britain. Although the majority of people, if asked, will say that they have received training sometime during the last three months, it is informal, its scope is narrow and it does not provide certificates or provable skills.'

'There is a growing chasm between those with university degrees and those with few vocational qualifications or none, and there are few opportunities for young people aged sixteen to twenty-one to undertake further training or education. British employers, particularly small companies, simply are not willing to pay for further training. Britain needs to spend £40 billion a year for the next ten years to halve the education and training gap for post-sixteen-year-olds.'

The problem, as Mr Edmonds sees it, is one of increasing polarisation. 'Brighter students go to university. The gap should be filled by technical colleges, but this does not happen, partly because of their redesignation and partly because of the difficulties older students have in finding the time and the money to support full-time training. Even if companies want to train people, or individuals want to seek further training, it is difficult to find a way of gaining a qualification without full-time study. We are improving the basic skills of children. But the weakest group, the sixteen- to twenty-one-year-olds, still fall outside the system. Britain should give greater importance to vocational qualifications so that they are regarded as valuable tools for the workplace. 'This is also a class problem. People believe that status and social standing are conferred by university degrees, and that vocational qualifications are a poor substitute. People with vocational qualifications are looked down upon, unlike in Germany.'

Very little financial support is given for vocational qualifications. One recent government innovation, the Individual Learning Account which subsidised individuals' in their training, was suspended because of widespread abuse and fraud. 'Another problem is grants for people who want to work for qualifications, especially if they want to train full-time. Most adults find it difficult to continue studying while relying on a partner's earnings. The multiplicity of qualifications is another problem. The government believes that there are too many different qualifications and that these confuse individuals and employers and is promoting National Vocational Qualifications (NVQs) as a means of unifying and simplifying the existing system.' However, many existing organisations that issue vocational qualifications are clinging to their own system and refusing to move over to NVQs.

NVQs promote skills

National Vocational Qualifications (NVQs) are work-related, competence-based qualifications. They offer many benefits for individuals and also for employers. For example, women returning to work can draw on previously acquired skills to reach an NVQ level of competence.

NVQs also help to prepare people for work or career development. An NVQ reflects the skills and knowledge needed to do a job effectively and is gained through the demonstration of skills.

NVQs represent national standards recognised and agreed by employers, so they also meet the needs of companies. Staff with NVQs can help companies to improve productivity and competitiveness; many major companies find NVQs them valuable tools for business and employee development.

These companies report significant benefits in terms of improved employee performance and motivation, lower staff turnover, better staff-supervisor relations and improved staff recruitment. NVQs give them the opportunity to benchmark standards and provide training specifically targeted to needs.

NVQs are available to anyone at any age or stage of their career. There are no entry qualifications and students decide the pace, place and way in which they learn. Most people working towards an NVQ are in work but a number of initiatives target the unemployed.

More information from <http://www.dfes.gov.uk/nvq>

Programme encourages better use of staff

The Investors in People programme helps businesses to make the most of their staff by improving planning, strengthening communications and identifying training needs.

The national programme provides a flexible framework that is responsive to the needs of individual businesses and organisations.

Investors in People specifies the principles that align individual learning and development needs with the goals of an organisation. It ensures that resources connected to learning and development are put to the most effective use and provides a benchmark of good practice against which organisations can be externally assessed.

To achieve the standard, organisations must demonstrate that top managers are committed to the development of all staff in their organisation.

More information from info@dfes.gsi.gov.uk

Another initiative that has met with some success is Investors in People. Under this programme, which is used extensively in both the public and private sectors, companies gain the 'Investors in People' award if, working with employees, they define specific objectives for providing training and improving communication and other areas of employer-employee relations. As with NVQs, Investors in People is popular in large companies, but very little is happening in small- and medium-sized enterprises.

The learner representative is the most significant initiative from the trade union movement. 'The idea came about because it was difficult to recruit shop stewards willing to handle every aspect of union representation. Learner reps were launched to help unions to identify colleagues with basic skill problems and to support and assist them, and also to encourage further training. In short, learner reps became the active training champions in the workplace,' Mr Edmonds explained. One interesting side effect of the programme has been to boost the participation of women in the union's representative structures. 'Almost all good learner reps are women,' says Mr Edmonds. 'We have developed a new role very successfully and we see this as a way to promote vocational training in the future.'

The role of trade unions in learning, training and qualifications

Unions face the challenge of lifelong learning

Trade unions must decide what role they will play now and in the future in the debate on vocational qualifications and lifelong learning. Choices and decisions made now by the trade union movement could be crucial to making these issues an accepted area of union concern.

Trade unions should question existing systems, and the extent of state involvement, including legislation. Perhaps, suggested one delegate, the discussion has centred too much on the differences between the British and German systems of education and training and has failed to focus on real problems such as the way women are treated and how some new jobs impact on existing work structures.

'Unions are and should be partners in vocational training. We need to encourage people to take up training. At present there are few or no rights associated with this area and there is no way of forcing companies to provide in-house training. We see many problems and few solutions,' commented one delegate.

In Germany, said another delegate, the situation is as bleak as in Britain. 'It is time for us in Germany to say good-bye to the fiction that the dual system is alive and kicking. It really only works in crafts, and many people argue that it is not the right system for the new economy. In future we cannot guarantee in-company training. Women are already disadvantaged by the current system. In future we should be open to new ways and allow people to take more control of the process.'

Winfried Heidemann, head of qualifications department at the Hans Böckler Foundation, brought the discussion back to the company level. He talked about his interest in how British learner representatives are making a real difference at the workplace, assisting employees in choosing training programmes, helping with training-related problems, and subtly shifting the centre of power away from the company and government intervention towards individuals. 'We have neglected this type of response in Germany for many years.'

Mr Heidemann believes that the campaign in Britain to seek legal status for learner representatives should be extended to Germany and also to the rest of Europe. 'Something like this programme could become a second pillar of trade union influence. The learner representative has the potential to become as influential within a company as the health and safety representatives'.

Desperate measures for desperate times

John Edmonds, general secretary of the GMB, pointed out that the idea of learner representatives was born of a desperate need for training. 'The weaknesses of the training system were so obvious, we faced such big problems in respect of basic skills that we needed some solution. We needed to find a way to guide and encourage workers back into the education and training system. Learner representatives have a great deal to offer. They are liked by employees and employers alike and I would like to see them more widely used, not just in the UK but throughout Europe.'

'One of the fundamental problems facing trade unions is the need to increase our membership. Here in Britain the Thatcher government and the impact of restructuring decimated unions. Their response was to recruit more representatives with all-round duties. But giving people responsibility for a single specific area has allowed us to have a variety of people dealing with issues. Together they provide each other with needed support and improve the gender balance. The learner representative model has worked well and helped us to explore training issues. They have forced unions to focus on this issue and make a top priority.'

Nevertheless, Mr Edmonds believes the trade union movement needs to take a stronger stand and a leadership role in this area, putting pressure on companies. 'Our learner representatives are becoming experts in this area. We are finding that where there are learner representatives, the company's management structure is beginning to see them as a valuable and important resource. We hope that legislation giving learner representatives statutory rights plus government backing will further this trend and establish learner representatives throughout industry.'

Simon Dubbins, European adviser at GPMU agreed on the importance of learner representatives. 'They give us an way into companies where there is no union membership, a way into small enterprises and also into areas where the majority of the workforce is made up of women or minority ethnic groups, for example the textile and garment industry. Through learner representatives we can contact and support these women, start to improve human resources management and begin a social dialogue. Learner representatives have enabled us to bring disadvantaged and marginalised people into the union. While this is a by-product of the learner representative's real role, it is a key by-product. Recruitment is important, particularly in areas where workers are unprotected and not represented, such as in the lower-paid industrial sectors.'

What should be on the agenda? Another British delegate took Mr Dubbins's views a step further. 'We need to put equality back on the trade union agenda, for instance the problems women and Asians face in the workplace. But at the same time we need more members and particularly members from areas that are particularly at risk. We also find that whereas an employer's approaches are rejected, workers welcome the learner representative's offer of help to improve basic literacy and numeracy skills.' Lionel Fulton of the Labour Research Department pointed out that the German system concentrates on the quality of an existing system and on provision for further technologies. 'We in Britain are using the unions to develop basic skills at the bottom of the workforce. This illustrates the different industrial structures of the two countries.'

Britain's main failing, he argued, is the absence of a coherent and uniform initial training structure on which to build. 'Learner representatives are great, but we are still a long way from making training issues an accepted part of negotiations. Training is seen an issue for employers to decide in line with company objectives. We need to move away from the "traditional" union areas of negotiation – pay and holidays – and make training just as important. We need to fight against opposition to legislation seeking to make learner representatives a legal requirement. Trade unions need to be part of the strategic decision-making processes and not allow management alone decide the fate of employees.'

Differences and similarities

'So far we seem to be focusing more on the differences between our two countries and systems than on the common ground,' said Wolfgang Lutterbach, head of the international department at DBG. 'We should focus on how we can jointly confront issues at a European level. Employment issues have become increasingly important to European leaders. Many EU summits – Cardiff, Luxembourg, Cologne – have focused on employment policy, and on issues relating to the knowledge-based society, lifelong learning and investment in human capital. Like the EU leaders, trade unions must seek solutions and minimum standards at a European level, utilising existing European organisations, such as the ETUC [the European Trade Union Congress] and Unice [the European employers' organisation]. The framework exists, and we should use it to put vocational qualifications on the European agenda.'

Thomas Habenicht, of the professional training department of IG Metall, agreed that certain initiatives deserved support across the EU, particularly important topics such as the future of vocational training and education. 'In the last century and before, unions focused on saving people's lives. Today education and training are equally important – workers need skills in order to survive.'

Mr Habenicht believes the unions should take seriously projects, such as learner representatives, that offer individualised support. 'One example in Germany is the "job navigator"'. We examine the company and beyond it to determine training and investment requirements in a knowledge-based society and how trade unions can create a reasonable framework to promote training, particularly for disadvantaged people. We have succeeded in making training standards part of a collective agreement in southern Germany. Perhaps such agreements can be the framework through which we can support and encourage individuals in training and education.'

Claudia Menne of the international department of Transnet-GdED (the German railway union) agreed. 'I believe that trade unions must define their role within a national framework. There are clearly European, rather than just national, jobs that workers need to be prepared for. This concept of European training could be extended.'

Training should be part of the system

Another British delegate agreed with this approach. He pointed out that within further education, and particularly in the IT area, importance should be attached to harmonisation and transparent qualification standards. 'Training should be part of a system that is defined and measurable. We need transparency and European standards so that degrees and qualifications can be transferred. On the other hand, how do we support lifelong learning in general? Companies will neither give time to nor pay for further education. It is not sufficient to give lip service to training. We must be proactive. We need European vocational training systems.'

Delegates agreed that it was unclear how far training would be harmonised at a European level. One delegate commented, 'I am sceptical of European harmonisation and the overall regulation of training and education. But I also see the opportunities such measures would create: the creation of transferable, individual qualifications recognised across borders would enable people to change from one system to another. Some jobs need a European standard and there are models for the "Europeanisation" of qualifications. For example, the International Air Transport Authority (IATA) has worldwide qualifications.' Another delegate pointed out that Germany should be prepared to accept training models from other countries. 'In Germany we concentrate too much on our dual system. We cannot expect others to recognise our qualifications when we do not accept theirs. The OECD's PISA report, which showed that German students were among the lowest achieving in basic literacy and numeracy, has forced us to acknowledge some of the shortcomings of our system and that responsibility for this state of affairs does not lie solely with government. It is clear that our workers are not as well qualified as they should be. Perhaps we could use the introduction of European laws to establish something like learner representatives across Europe.'

Mr Dubbins agreed that the significant change in the skills needed in the workplace means that it is time that companies should be legally obliged to offer training and lifelong education. 'We need to force companies to contribute to the process. There is a real reluctance by government to make industrial training a legal requirement. Learner representatives alone will not solve the problem. Government initiatives are needed to change attitudes and approaches to this issue'

Work skills should be transferable

'On a European level, there has been some work on the idea of a "job passport", which would allow workers to move easily between countries. But we lack the mechanisms to enforce the idea of lifelong training. It is important that EU member states, particularly Germany, maintain the pressure at a European level and supports initiatives that promote the mutual recognition of training and certificates.'

Ms Menne pointed out that vocational training is a political hot potato in Germany. 'Like our British colleagues, we have problems in Germany with employers who do not support training. Companies should participate in further training but do not. The government

will not implement legal requirements. How can we force the government into a regulated system? How do we ensure state subsidies?’

A British delegate representing teachers agreed that both countries face an uphill struggle. ‘We have no coherent system in the UK, but at least we know that the government is committed to training and is involved in this issue. Accreditation is an important problem. We recognise that we need to work in partnership with companies as well as other countries to pilot possible models.’

Learner representatives seek legal basis

Learner representatives provide advice and guidance to union members on learning, just as health and safety representatives provide advice and guidance on health and safety.

There are about 3,000 learner representatives in Britain, helping members on a wide range of issues related to learning from identifying courses to negotiating with employers for time off or a contribution towards the cost of the training.

The Employment Act passed in July 2002 gives learning representatives statutory rights in all workplaces where independent trade unions are recognised for collective bargaining purposes, including small companies. This legislation was drawn up in consultation with the TUC, which is keen to see learner representatives put on a statutory footing.

Under the proposed legislation learner representatives would be entitled to reasonable paid time off for analysing learning or training needs; providing information and advice about learning or training matters; and arranging, promoting and consulting with employers on learning and training activities.

Research has shown that the benefits of learning representatives outweigh their costs to companies. The government estimates the benefits to employers will come from increased productivity as workers’ skill levels are raised. A Cabinet-level review of British competitiveness says; ‘The UK has a long-standing productivity problem. Statistics show, for example, that output per head is 40 per cent higher in the US, 20 per cent higher in France and 10 per cent higher in Germany than in the UK.’

The Confederation of British Industry (CBI) opposes legislation granting paid time off on the grounds that the company itself should decide if it needs active learner representatives. Unions argue that many of the companies that do require such programmes are too short-sighted to provide them.

John Edmonds pointed out that learner representatives on their own are not an adequate response in Britain. ‘Learner representatives certainly put trade unions in a better position as they face employers and the government over training issues. But they are only part of a solution and do not address the entire problem. We need to find out why, for example, in the past German employers were prepared to spend so much money on training but now say they are not prepared to do so without being compelled by legislation. What has

changed? Is it possible for unions to create the circumstances in which employers are enthusiastic about training? That would be great, but I fear we both need legal support.'

Mr Habenicht pointed out that Germany has had a tradition of in-company training for eight hundred years. 'Since the 12th century merchants have been teaching young people how to transact business. At the beginning of the twentieth century the German dual system was modernised successfully. But during the last twenty to thirty years we have seen new phenomena: the globalisation of industries, the technological revolution. It is clear that such changes demand a transformation of our existing education systems. So many things are integrated now. It is important that we do not allow our vocational training systems to become obsolete'.

Forcing the issue

'Ultimately it is simply a question of money. Companies are pushing away their training responsibilities, arguing that money is not available and that shareholder value is more important. That is a good reason why we need government regulation. But there is no single solution. We need to find some middle ground. I believe that the German government is ambivalent about further training. Like the British government, it is reluctant to impose more regulation and to force companies to put more money into training.'

Antje Schumacher, of the policy and planning department at VERDI, agreed with this assessment. 'How do we get employers to agree to help pay for further training? How do we convince them that it is in their own economic interest and force them to invest in their workforce? I don't know. Perhaps collective agreements, such as the one IG Metall negotiated in Baden-Württemberg, can be a model.'

It was agreed that both countries need new initiatives, but that these should not be pursued in ignorance of what was happening elsewhere. The conference had highlighted a number of key differences between the environments in which British and German trade unions sought to defend and promote their members' interests. But the growing importance of the European and global contexts meant that these differences were dwarfed by the challenges the two movements faced in common. The conference was seen by all delegates as just the first stage in what needed to be a continuing process of mutual learning and dialogue.

Organisations involved

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.

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Deutscher Gewerkschaftsbund (DGB) (German TUC)

The DGB represents the interests in of people in employment, people looking for training and a job, the unemployed and pensioners.

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<http://www.dgb.de/englisch/programm.htm> (English)

Friedrich-Ebert-Stiftung (FES)

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

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Wirtschafts- und Sozialwirtschaftliches Institut (WSI) der Hans-Böckler-Stiftung

The Institute of Economic and Social Research (WSI) of the Hans Böckler Foundation is a policy research institute that undertakes academic analysis of issues of practical relevance to industrial relations. Its work covers a range of issues from economic, labour market and structural policy to social policy, collective bargaining and co-determination.

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Institute for Public Policy Research (IPPR)

The IPPR is the leading UK independent think tank on the centre left. It carries out research and policy analysis and produces reports.

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Trades Union Congress (TUC)

The TUC is Britain's largest voluntary organisation, including 76 member unions, representing nearly 7 million people. John Monks became General Secretary of the TUC in September 1993, having started at the TUC in 1969 after two years in the electronic industry

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