

Germany

Main indicators and characteristics of collective bargaining

This note presents the main indicators and characteristics of collective bargaining in Germany for 2019 or the latest year available. The purpose of this note is to provide a snapshot of the functioning of collective bargaining in Germany that can be used for comparisons with other countries in the database. Therefore, this note does not provide a precise description of the legal provisions or standard practices in Germany but only a general summary.

The first version of the OECD and AIAS, Institutional Characteristics of Trade Unions, Wage Setting, State Intervention and Social Pacts (ICTWSS) database has been released in February 2021 and has been produced with the financial assistance of the European Union Programme for Employment and Social Innovation “EaSI” (2014-2020), VS/2019/0185. The views expressed herein can in no way be taken to reflect the official opinion of the European Union.

The OECD/AIAS ICTWSS database together with its codebook, a note on methodology and sources and a glossary is publicly available at www.oecd.org/employment/ictwss-database.htm. For any information or correction, please contact CollectiveBargaining@oecd.org.

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The actors and scope of collective bargaining

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| <i>Trade union density (% of employees)</i> | 16.3% (in 2019) |
| <i>Adjusted bargaining (or union) coverage rate (% of employees with the right to bargain)</i> | 54% (in 2018) |
| <i>Employer organisation density (% of employees)</i> | 67.9% (in 2018) |

Wage setting

| | |
|---|--|
| <i>The predominant level at which wage bargaining takes place (in terms of coverage of employees)</i> | Bargaining predominantly takes place at the sector or industry level |
| <i>The combination of levels at which collective bargaining over wages takes place</i> | Sectoral (separate branches of the economy) and company, with company agreements that specify, or deviate from, sectoral agreements, guidelines or targets |
| <i>Reach or incidence of additional enterprise bargaining</i> | Additional enterprise bargaining on wages is rare even in large firms |
| <i>Favourability</i> | Lower-level agreements must by law offer more favourable terms, but derogation is possible under defined conditions |
| <i>Opening clauses in sectoral collective agreements</i> | Sectoral agreements contain opening clauses, allowing the renegotiation of contractual wages at enterprise level |
| <i>Crisis-related, temporary opening clauses in collective agreement</i> | Agreements (at any level) contain crisis-related opening clauses, defined as temporary changes, renegotiation or suspension of contractual provisions, under defined hardship conditions |
| <i>Mandatory extension of collective agreements to non-organised employers</i> | Extension is rather exceptional (e.g. used in some industries only, because of absence of sector agreements, or very high thresholds (supermajorities, public policy criteria, etc.), and/or veto powers of employers) |
| <i>Is there a statutory minimum wage in your country?</i> | Yes, there is one or more statutory minimum wage rate(s) that cover(s) all or most employees |

Wage co-ordination

Coordination of wage-setting

Non-binding norms and/or guidelines (recommendations on maximum or minimum wage rates or wage increases) issued by a) the government or government agency, and/or the central union and employers' associations (together or alone), or b) resulting from an extensive, regularized pattern setting coupled with high degree of union concentration and authority

Type of coordination of wage setting

Pattern bargaining

Works councils and employee representation in the enterprise

Status of works council

Existence and rights of works council or structure for (union and non-union based) employee representation within firms or establishments confronting management are mandated by law or established through basic general agreement between unions and employers

Involvement of works councils (or similar structures) in wage negotiations

Works councils is formally (by law or agreement) barred from negotiating (plant-level) agreements, but informally negotiate over workplace-related working conditions or "employment pacts", including pay

Social pacts and agreements

A social pact or central agreement is signed in specified year

No

Existence of a tripartite council for the purpose of negotiation, consultation or information exchange over social and economic policies

No permanent council