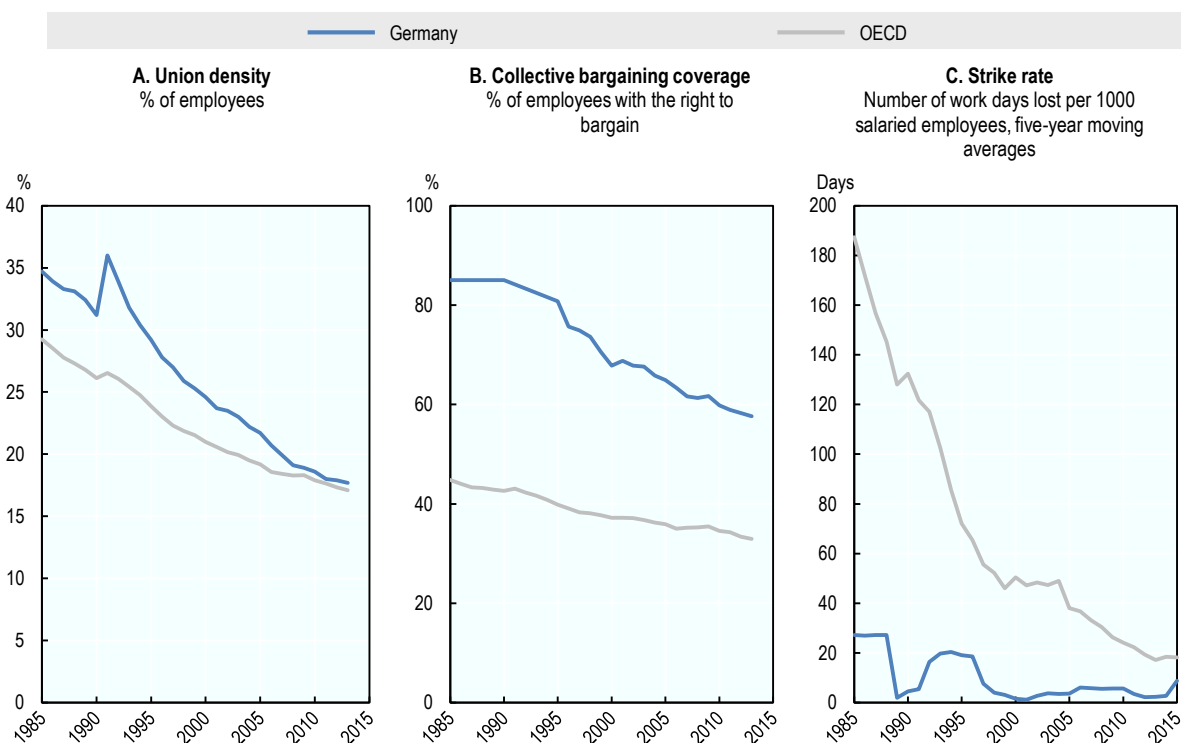


Germany

KEY FEATURES OF THE COLLECTIVE BARGAINING SYSTEM IN 2015

Predominant level	Sectoral
Degree of centralisation/decentralisation	Organised decentralised
Co-ordination	High
Trade union density in the private sector	10-20%
Employer's organisation density	50-60%
Collective bargaining coverage rate	50-60%
Quality of labour relations	High

TRENDS IN INDUSTRIAL RELATIONS IN GERMANY, 1985-2015



BUILDING BLOCKS OF COLLECTIVE BARGAINING

The detailed description of the building blocks of collective bargaining mainly relies on information provided by the responses to the policy questionnaires that were sent to Labour Ministries, employer organisations and trade unions in 2016. The information reported in the questionnaires represents the situation in **December 2015**.

Use of *erga omnes* clauses

Legal application of a sector level agreement in the absence of administrative extensions Double affiliation principle (only to members of signing organisations).

Legal application of a firm-level agreement Union members

Use and coverage of extensions

Use of extensions of sectoral collective agreements Yes, but uncommon.

Procedure Extensions are issued by the Federal or regional governments upon request of both parties and agreement by a bipartite committee (its consent is necessary, but not sufficient, the Government is not obliged to issue the extension). Extensions under the Posted Workers Act are limited to minimum wage and other minimum conditions.

Representativeness criteria Until 2015 the agreement had to cover >50% of employees in the sector. Since 2015, the collective agreement must be of overriding importance. In this regard, account is to be taken not only of the number of members but, for example, also of references to the agreement and the fact that it serves as orientation in other ways.

Public interest criteria Overriding importance is one public interest criterion. However, there are other criteria on which public interest may also be based.

Exemptions or possibility of appeal The agreement may provide for exemptions or they may be ordered in the context of an extension.

Duration of collective agreements

Average duration Information not available

Maximum duration of collective agreements

- Cross-sectoral level: Not relevant.
- Firm and Sectoral levels: Yes, if agreed by social partners.

Can contracting parties terminate an agreement before its expiry date?

- Cross-sectoral level: Not relevant.
- Firm and Sectoral levels: Yes and the agreement comes to an end.

Is maximum duration of after-life/ultra-activity of agreements fixed by law? No rule.

Retroactivity of agreements

Do firms have to pay arrears in case of late renewal? No

Does retroactivity apply only to members of signatory parties or does it cover all parties? The agreement itself applies retroactively only to the members of the signatory parties. Retroactivity can also apply to non-unionised workers if a reference to the agreement is made in their employment contracts. In case of an extension, retroactivity has to be ordered by the authority extending the agreement.

Use of the favourability principle Favourability principle always applies.

Use and scope of derogations and opt-out

Derogations from the law	Possible to favour agreements between SP on individual dismissal (length of dismissal notice periods), temporary agency work (maximum hiring-out period) and working time.
Derogations from collective agreements	
Scope	General opening clauses and opt-out can be foreseen in sector-level agreements.
Topics	Mainly wages, working time and temporary agency work. The collective bargaining parties may also allow derogations in other topics.
Rationale	Defensive and offensive measure
Criteria	Clearly defined criteria (by law or SP), for example in case of economic difficulties.
Other	Not relevant

Forms of co-ordination

Mode of co-ordination	Pattern bargaining
Degree of co-ordination	Strong

Enforcement of collective agreements

	Sector-level agreements	Firm-level agreements
Do agreements typically include a peace clause?	Yes	Information not available
Do agreements typically include a mediation/arbitration procedure?	No	Information not available
Is it compulsory?	Not relevant	Information not available

Worker representation at the workplace

Work council

Board-level employee representation

Public sector	Yes
Private sector	Yes
Scope	<ul style="list-style-type: none"> • >500 - <2 000 • >2 000 • Companies in the iron, coal and steel industry >1 000.
Proportion/number of workers' representatives	<ul style="list-style-type: none"> • Min. 1/3 of the Supervisory Board • 1/2 of the Supervisory Board • 1/2 of the Supervisory Board and de facto one member of the management board
Nomination of candidates	<ul style="list-style-type: none"> • Work council, employees • Employees, Executive staff, trade union. • Work council, trade union.
Appointment mechanism	<ul style="list-style-type: none"> • Election by employees. • Election by employees or election by delegates. • By the general meeting of shareholders.

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