



INTEGRATED PROGRAMME OF THE EU SOCIAL DIALOGUE 2009-2011

**JOINT STUDY OF THE EUROPEAN SOCIAL PARTNERS  
“THE IMPLEMENTATION OF FLEXICURITY AND THE ROLE OF THE  
SOCIAL PARTNERS”**

**NATIONAL FICHE:**

**Germany**

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## Contents

Preface .....	3
1 The economic and social context.....	4
Economic crisis and recovery .....	4
Labour market indicators and trends.....	5
Flexicurity in the labour market and labour market policy .....	6
2 Flexibility and security in recent labour market and social policy reforms .....	9
Introduction and overview.....	9
Lifelong learning and the mobility of workers .....	9
External/internal flexicurity and contractual arrangements.....	11
Active labour market policy .....	13
Supportive social security systems.....	14
High quality and productive workplaces .....	15
Gender equality.....	16
Financial sustainability .....	16
Conclusion: Strengths, weaknesses and challenges.....	17
3 The role of the social partners .....	17
General remarks on the role of social partners .....	17
Main instruments and levels of influence .....	18
Recent changes and challenges .....	19
Cases of good practice in the field of labour market flexibility and security .....	20
4 Key points arising .....	21
Sources and references.....	21
Replies to the questionnaire survey, interviews and other contributions.....	21
Further resources.....	21

## Preface

This national fiche is part of the EU Social Partners’ Study “The implementation of flexicurity and the role of social partners” carried out in the context of the EU Social Dialogue Work Programme 2009-2011, which includes “*Jointly monitoring the implementation of the common principles of Flexicurity, notably in order to evaluate the role and involvement of the social partners in the process and to draw joint lessons*”.

To implement this task in the best possible way and to involve national member organisations actively in the gathering of data and information, the study applies a methodology that consists of multiple levels of analysis using a variety of instruments to be implemented with the help of a team of experts:<sup>1</sup>

- The expert team, with the advice of European Social Partners, agreed on a *set of selected statistical indicators* in the field of employment and economic and social development with labour market relevance.
- National social partners were asked to participate in a *questionnaire-based survey* focussing on the relevance of the flexicurity concept within national labour markets, the role of the social partners in policy implementation and their views of the flexicurity concept. To complement the research, the expert team visited a number of countries and carried out interviews with national social partners.<sup>2</sup>
- Based on the two sources above and a review of available written materials and information, the expert team prepared 29 *national “fiches”* on the implementation of the flexicurity principles and the role of social partners in the respective national contexts.
- Results of the questionnaire survey and main findings of the national analyses were discussed at four “*country cluster seminars*” that were organised by the European Social Partners with the help of national sections in Warsaw (November 2010), Lisbon (December 2010), Paris (31<sup>st</sup> January-1<sup>st</sup> February 2011) and The Hague (8<sup>th</sup> February 2011).
- In the light of the overall study results and the comments received by national social partners in the contexts mentioned above, the expert team has prepared a *comparative synthesis report* on “Social Partners and Flexicurity in Contemporary Labour Markets” that was presented and discussed at a *EU-level synthesis seminar* on 31<sup>st</sup> March and 1<sup>st</sup> April 2011 in Brussels.

This national fiche aims to present a broad overview on the economic and social context and the state of play with regard to flexibility and security in the labour market and current social security arrangements (sections one and two). Secondly, the report describes the role of the social partners and social dialogue in the implementation of policies and practices that can be considered under the broad umbrella of “flexicurity” (section three), also summarising inputs provided by national social partners to the questionnaire, from interviews carried out and other contributions made in the context of the study. Section three also presents brief descriptions of cases of good practice as has been indicated by the national social partners.

The text was originally prepared as draft report in the autumn of 2010 in order to facilitate the discussion at the cluster seminar on 9<sup>th</sup> and 10<sup>th</sup> December 2010 in Lisbon. The original dossier has been reviewed and revised to take into account the comments and discussions that took place during the seminar or received afterwards.

However, it should be stressed that this report is presented as an “independent expert report”. It represents the views of the individuals involved in its preparation and does not purport to represent the views, either individually or collectively, of the social partners’ representatives that contributed to it, or those of the European level social partner organisations that were responsible for its commissioning.

<sup>1</sup> Expert team: Eckhard Voss (coordinator), Alan Wild, Anna Kwiatkiewicz and Antonio Dornelas.

<sup>2</sup> The following countries were visited in the context of the project between May and July 2010: Denmark, France, Ireland, Italy, Czech Republic, Poland, Germany, Portugal and the Netherlands.

# 1 The economic and social context

## Economic crisis and recovery

Due to its large export-oriented manufacturing sector and its specialisation in investment goods, Germany was more exposed to the global trade shock triggered by the financial crisis than most other economies. As a result, the contraction of real GDP in the second half of 2008 and the first quarter of 2009 were among the sharpest of all industrialised countries, fuelled by an unprecedented slump in exports and investment activity. However, thanks to a rebound in exports and a remarkably resilient labour market – helped by a massive application of short-time work measures – the German economy recovered earlier than expected, with positive quarterly real GDP growth returning already in the second quarter of 2009 although the GDP contracted by a historically high rate of -4.7% in 2009.

At the onset of the crisis, the process of internal adjustment had effectively come to an end. Economic growth picked up strongly as from 2006, with private investment increasing sharply. Unemployment decreased markedly and employment growth accelerated, spilling over also into higher wage growth in some sectors. These wage gains did not immediately lead to stronger private consumption growth, as the 2007 increase in VAT and higher energy prices in 2008 reduced real disposable incomes. Furthermore, it should be noted that private consumption was also hampered by a growing number of workers with little income.

In response to the crisis, the German government adopted a set of measures to stabilise the banking sector, including the provision of guarantees of up to EUR 400 bn (around 16% of GDP) via a “Financial Market Stabilisation Fund”. An additional EUR 80 bn (around 3% of GDP) was earmarked for capital injections and purchasing of troubled assets and a “bad bank” scheme was introduced to remove impaired assets from bank balance sheets.

Moreover, apart from letting the automatic stabilisers fully operate, Germany also introduced fiscal stimulus package of around 1¼% of GDP on average in 2009 and 2010. Stimulus measures were aimed at providing relief to households and enterprises, increasing public infrastructure investment and stabilising the labour market.

### GERMANY - MAIN ECONOMIC INDICATORS AND OUTLOOK

	2007	2008	2009	2010	2011
<b>GDP – annual percentage change</b>	2.7	1.0	-4.7	3.7	2.2
<b>Employment – annual percentage change</b>	1.7	1.4	0.0	0.3	0.7
<b>Unemployment rate (Eurostat definition)</b>	8.4	7.3	7.5	7.3	6.7
<b>General government balance (as percentage of GDP)</b>	0.3	0.1	-3.0	-3.7	-2.7
<b>General government gross debt (as percentage of GDP)</b>	64.9	66.3	73.4	75.7	75.9

Source: European Commission: Autumn 2010 Economic Forecast.

Apart from the overall positive aspects of managing the crisis, the EU Commission in its Autumn 2010 Economic Forecast has also raised concerns about the medium prospects of the German economy:

*However, deep economic and financial crises carry the risk of having a lasting impact not only on potential output levels but also on potential growth. Moreover, in the case of Germany, potential growth had been on a declining trend before the crisis. Growth enhancing structural reforms in line with the Europe 2020 strategy would therefore be crucial to successfully overcome the crisis and limit its impact on medium-term growth prospects. (EU Commission 2010, p. 80)*

## Labour market indicators and trends

Contrary to most other countries in the EU, the economic crisis so far had only a very limited impact on the German labour market. The unemployment rate has increased by less than 1 percentage points since October 2008 and employment initially kept growing even during the downturn. A number of factors have been responsible for this. First, companies took advantage of the increased use of flexible working time arrangements, cushioning the impact of the crisis by reducing overtime work and depleting working time accounts. Second, they resorted on a large scale to short-time work, especially since the German stimulus package increased the maximum duration of short-time work to 24 months and offered additional financial incentives to companies to use the scheme.<sup>3</sup> Third, given the difficulties in hiring qualified workers during the 2007/08 upswing, many companies proved reluctant to lay off workers prematurely. Fourth, past labour market reforms and wage moderation have arguably reduced structural unemployment in Germany. The adjustment to this lower level of unemployment was not yet fully completed at the beginning of the crisis. Finally, and as stressed in the interviews carried out in the context of elaborating this report, the role of flexible collective bargaining agreements and the responsible practice of the German social partners have also been an important positive factor contributing to effective crisis-management.

The different working time instruments that have been used to cushion the effects of the crisis and maintain jobs have been evaluated in regard to their effects on employment: They show that approximately one third of the employment effects of working time adjustments are allotted to short-time working schemes. Two thirds of the effects are resulting from a temporary reduction of the collectively agreed weekly working time, negotiated in so-called “corridor arrangements”, the reduction of overtime and working time accounts.<sup>4</sup>

However, there are also some worrying aspects when looking at main labour market indicators: long term unemployment still is above the EU27 average and the income inequality is rather high, reaching nearly the EU27 average. It also has to be mentioned here, that Germany is one of the very few countries in Europe where income inequality has been rising during the last decade from 3.8 in 2000 to the current figure of 4.8.

### GERMANY - MAIN LABOUR MARKET INDICATORS 2009 IN COMPARISON TO EU27

	Germany	EU27
Employment rate – % population aged 15 – 64	70.9	64.6
Employment rate older people – % population aged 55-64	56.2	46.0
Self employed - % total population	11.0	15.5
Employment in services - % total employment	73.0	70.4
Employment in industry - % total employment	24.9	24.1

<sup>3</sup> It should be noted here that short-time work schemes are not applicable in the public sector with the exception of GmbHs.

<sup>4</sup> For more details see: Herzog-Stein, A./Seifert, H.: Der Arbeitsmarkt in der Großen Rezession – Bewährte Strategien in neuen Formen, WSI-Mitteilungen 11/2010, p. 551-559

Employment in agriculture - % total employment	2.1	5.6
Unemployment rate - % labour force 15+	7.5	8.9
Youth unemployment rate - % labour force 15-24	10.4	19.6
Long term unemployment rate - % labour force	3.4	3.0
Inequalities of income distribution (2008)	4.8	5.0

Source: Eurostat, *Employment in Europe Report 2010*.

## Flexicurity in the labour market and labour market policy

Labour market policy in Germany during the last decade went through a period of rapid and fundamental change. In particular under the Social-Democratic/Green Coalition Government between 1998 and 2005 a number of reform projects have been put into place that have changed the labour market quite significantly. As the following table illustrates, the ranking of Germany with regard to major flexicurity indicators is mixed: high and clearly above the EU average scoring for example in educational attainment or access to flexitime and part-time employment but rather modest results with regard to lifelong learning, CVT and investments of enterprises' investment in the training of adults. It has to be stressed here, that Germany today has the second highest share of part-time employment within the EU and a particularly high perhaps the highest share of part-time employment amongst female workers: In 2009, more than about 45% of all working women were on part-time which is the second highest share in the EU28 (after the Netherlands). A large proportion of part-time employment takes place within the framework of mini-jobs that are associated with a reduced level of social protection.

### GERMANY - FLEXICURITY INDICATORS IN COMPARISON

	Germany	EU27
Total population having completed at least upper secondary education (population aged 25-64, %), 2009	85.5	72.0
Part-time employment - % total employment, 2009	26.1	18.8
Fixed-term contracts - % total employees, 2009	14.5	13.5
Access to flexitime, % total employees aged 15-64, 2004	52.3	31.3
Percentage of employees (all enterprises) participating in CVT courses, 2005	30.0	33
Lifelong learning participation – percentage of the population aged 25-64 participating in education and training over the four weeks prior to the survey, 2009	7.8	9.3
Job satisfaction – percentage of workers that are either very satisfied or satisfied with working conditions in their main paid job (EWCS 2010)	88.3	84.3
Strictness of employment protection – regular employment, 2008	3.00	2.11*
Strictness of employment protection – temporary employment, 2008	1.96	2.08*
Strictness of employment protection – collective dismissals, 2008	3.75	2.96*
Public expenditure on <i>passive</i> labour market policies (categories 8-9) - % of GDP, 2008	1.10	0.96
Public expenditure on <i>active</i> labour market policies (categories 2-7) - % of GDP, 2008	0.53	0.46
Persons at-risk-of-poverty after social transfers - % of total population, %, 2009	15.5	16.3

Source: Eurostat; *Employment in Europe Report 2010*; Eurofound (*European Working Conditions Survey 2010*); OECD. \*OECD average

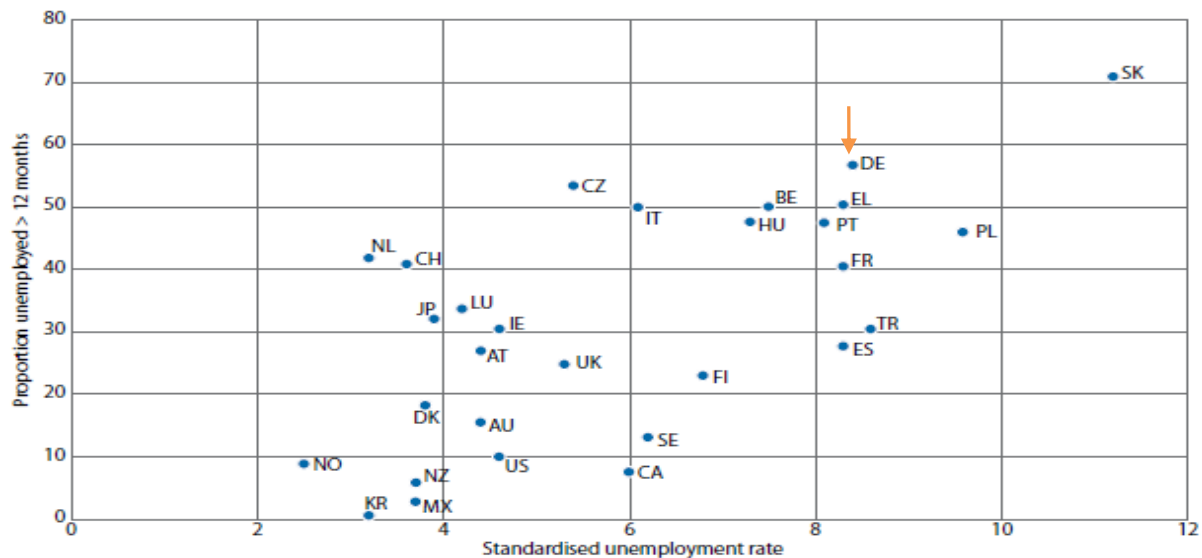
A factor of concern both of national as well as European policy makers already in the years before the global financial and economic crisis has been the persistence of a relatively high unemployment rate and long-term as well as structural unemployment, in particular amongst groups such as citizens with a migrant background and older persons. This challenge has been regularly addressed also by the

European Commissions in its recommendations with regard to the National Reform Programme for Growth and Jobs, e.g. in the annual assessment of the progress made in 2008:

*“Notwithstanding the improvement of labour market conditions since 2006, Germany's labour market remains characterized by relatively high unemployment, particularly high long-term unemployment and unemployment amongst the low qualified.” (EU Commission 2009, p. 30)*

This problem is also illustrated by the following graph displaying the position of Germany in regard to the unemployment rate and the proportion of persons being unemployed for more than 12 months for the year 2007.

#### INCIDENCE OF LONG-TERM UNEMPLOYMENT AND THE UNEMPLOYMENT RATE 2007



Source: *Employment in Europe Report*, p. 73, based on OECD figures.

The term “flexicurity” has not been used to label the reforms that were described as “Fördern und Fordern” (“Promote and Challenge”) or “aktivierende Arbeitsmarktpolitik” (“Activating Labour Market Policy”). Though the German government in its National Reform Programme 2008-2010 regularly refers to flexicurity, the term until today is rarely used in the national public policy debate. This is likely the result of two factors of influence:

*First*, the major reforms mentioned above have been initiated and started already before the concept of flexicurity has been adopted as a guiding principle at the EU level. Therefore the flexicurity concept only has a limited influence in Germany that has chosen its own pathway of labour market and social policy reform already in 1998.

*Secondly*, there is quite a polarized political debate between the German social partners on the results of the labour market reforms which focuses very much on issues such as flexibility and security in the labour market. While employers demand more flexible orientations and instruments the trade unions have raised concerns about the negative social effects of the reforms, the loss of social security in particular amongst low income groups. In this atmosphere it has been extremely difficult, if not impossible to refer to the flexicurity concept in Germany in a non-ideological or political biased way.

The positions of the German social partners therefore differ widely on the flexicurity approach:

The employers’ organizations, such as the *Confederation of German Employer Organisations* BDA (see BDA 2010) and the *German Association of Skilled Crafts* ZDH welcome the approach since it meets their



demand for more flexibility in the German labour market. The BDA for example considers flexicurity as an adequate approach to address the current labour market challenges:

*„Bei Flexicurity geht es um eine Politik, bei der nicht der Bestandsschutz des einzelnen Arbeitsplatzes, sondern die Beschäftigungssicherheit durch immer neue Chancen der Integration in den Arbeitsmarkt im Vordergrund steht (...)Sicherheit für Arbeitnehmer und Unternehmen ist im globalen Wettbewerb nicht denkbar ohne Flexibilität, d. h. schnelle Anpassungen an neue Markterfordernisse. Das Konzept der „Flexicurity“ greift diesen Gedanken auf und setzt ihn für die Modernisierung der Arbeitsmärkte um“ (BDA 2010, p. 1).*

The employers' organizations consider flexicurity as a good approach of adhering to too strict forms of job protection (contractual arrangements) but by improving the chances of individuals to find a new job quickly. Flexibility of companies as well as mobility and flexibility of workers is to be increased. BDA and ZDH are in line with policies reducing unnecessary restrictions on the employment of temporary agency and fixed-term workers. Education and continuous vocational training is to be improved by close cooperation with employers. Further reforms are needed which imply that individuals will have to take more responsibility in job seeking, in training and in contributing to insurance schemes. BDA and ZDH stress contractual arrangements, lifelong learning and labour market policies as some of the main issues.

Though not explicitly based on the concept of “flexicurity” openly, the aim to improve both flexibility and security in labour relations was also an important underlying factor and driving force of the major reform of the public sector collective bargaining law in 2005 that not only included a new wage system but a number of measures aiming at increasing both the flexibility and security of employment in the public sector.

The views of the trade unions differ from this position clearly, as the following quote of a position of the *Confederation of German Trade Unions DGB* shows that stresses the demand of job security as a precondition for more flexible contractual arrangements:

*“Workers may be interested in flexible forms of work organisation, for example because they would like to reduce for a certain duration working time due to private/family reasons or to better balance work and life – however, the condition for this is job security.” (DGB 2007, p.1, own translation)*

According to the DGB, current government shows lack of interest in conceptualising and in implementing flexicurity measures. The trade unions criticise that working time was flexibilised but that legislation does not provide for sufficient security for working time accounts; they oppose any initiatives diminishing standards of dismissals protection and to increase the duration of temporary agency work. They voice harsh criticism that labour market policies have intended to increase the number of precarious ‘mini-jobs’ and of temporary agency jobs, but have shown not to support workers in finding jobs of good quality. According to the trade unions the new Unemployment Benefit II (for long-term-unemployed persons, “*Hartz IV*”) has increased the poverty level and they demand an increase in the payment. Furthermore, the unions criticize that *Hartz IV* provisions have reduced the chances for unemployed people to receive training allowances; lifelong learning has not sufficiently been supported, as public expenses on further training and on adult education were cut. In addition, in the opinion of the unions with the introduction of the “unemployment benefit II” the risk of de-qualification processes advices increased because the unemployed have to accept jobs regardless of their qualifications. As companies are reluctant to provide for more training, further approaches are needed to mobilise them to do so. Finally, according to the DGB and its member unions, reforms of the retirement pension schemes (i.e. rising the retirement age) are insufficient as so far they do not address the security problems of high unemployment rate amongst older workers, discontinuous work biographies, of low-wage earners, of part-time workers and the self-employed. Given the limited opportunities for older workers in the labor market and high unemployment, an increase of the retirement age from the perspective of the unions primarily is driven by the aim of reducing the level of benefits.



Against these shortcomings of the flexicurity debate, the DGB and most of the DGB member organizations, though they have their own positions on flexicurity, reject the flexicurity concept as a guiding principle (DGB 2007). As an alternative orientation of reference the concept of “*Good Work*” is favoured by the trade union confederation. *Good Work* is orientated towards jobs of good quality and internal job stability. Furthermore the German trade unions are demanding a number of measures in support of better and good work, in particular a regulation for the right of permanent work after a certain number of fixed term contracts; a statutory minimum wage and the extension of the Posted Workers Act to further sectors. High quality of education and of the dual vocational training system, continuous training and adult education is also needed to support the individual in coping with economic and social changes. Unemployment Benefit II (*Arbeitslosengeld II*) should be increased and pension schemes based on the contributions of employees and employers are to be reformed to include all people in employment and to provide special support for those in need.

## 2 Flexibility and security in recent labour market and social policy reforms

### Introduction and overview

Against the background of the positive reply and support of our survey from the German social partners the following description of flexibility and security in recent labour market and social policy reforms is mainly focussing on the assessment of the social partners as expressed in questionnaire replies, interviews and further material. This overview does therefore not summarize the position of the German government (which can be found elsewhere, in particular in the 2008-2010 Reform Programme in the context of the Growth and Jobs Strategy and the annual implementation reports, see German Government 2008 and 2009).

### Lifelong learning and the mobility of workers

Education in general, lifelong learning as well as further and continuous vocational training is playing an important role in Germany both in the society as a whole but also in the context of the competitiveness and innovation capacity of enterprises.

It proved to be difficult in the federal system of Germany (education is in the competence of the German *Länder*) to carry out reforms in the educational system, nevertheless in recent years reforms have been undertaken which need to be continued. Furthermore, employer’s organisations at sectoral or regional level are continuously improving and supporting education and training with several programs.

It is a broad joint understanding of the social partners that there is a close link between prosperity, social security, competitiveness and innovation on the one hand and a good educational system on the other hand. This has been also addressed by initiatives of the German government: For example, in October 2008 an “*Education Summit*” took place, where the federal government and the *Länder* agreed on benchmarks and instruments to improve the educational system. One important objective is to reduce the rate of school-drop-outs by half until 2015.

According to the German employers organisation companies in Germany are very active in the field of lifelong learning and continuous vocational training – here, European statistics are reviewed quite critical as presenting not the correct picture of the real situation. According to BDA companies in Germany spend about EUR 28 bn per year on in-company vocational education in the context of

apprenticeship plus a similar amount of EUR 27 bn on continuous training at the company level. Furthermore, employers are highly involved in initiatives and programmes in the field of training, lifelong learning, career guidance, advice to companies etc. Representatives of the public sector in their comments to this survey highlighted the fact that public sector companies are contributing to a well trained workforce also by vocational education of a number of young trainees that is exceeding the own demand.

It should also be stressed that continuous training has been the issue of many collective bargaining agreements. Sectoral social partners have developed different approaches: In the metalworking sector and individual right for personal development planning has been established, that aim at the identification of qualification needs and recommendations on tailor-made further training measures. There are also training funds schemes in order to finance further qualification measures, e.g. in the textile and clothing sector.<sup>5</sup>

There are also many examples that may illustrate good and innovative practice at regional and cross-sectoral level, e.g. the “*ServiceCenter Aus- und Weiterbildung*” (“*Service Centre Vocational Education and Training*”) of the Bavarian electrical and metalworking industries (*vbm*). Similar projects exist in the public sector, e.g. in the health and hospital sector.

A recent example of active social partners’ involvement in further training of workers at the company level has been the combination of short-time work with further training measures in order to make the best use of short-time work periods both for employees and employers. It has to be noted here however, that only few enterprises made use of this possibility.

Education and training are important instruments to improve the individual employability and professional mobility of workers as well as for the unemployed. Here, as the data presented in the previous chapter have shown, Germany faces a big challenge, in particular in regard to high long-term unemployment and disadvantages of certain groups (in particular young persons with a migrant background) in access to work.

Against this, reforms in the PES and the Code of Social Law in order to improve the access to work out of unemployment and job transitions have been high on the agenda of public policy debate since the late 1990s when the so-called “*Hartz reforms*” were initiated.

However, according to the German trade unions the major problem was and is not the difficulty of unemployed to get access to the labour market. The workers’ organizations in this context refer to the number of unemployed people from around 4 million. These make clear that there still are too few jobs available.

According to the German employers the ongoing reforms of the *Code of Social Law II* (which regulate measures for long-term unemployed) are a feasible mean to enhance the management of job transitions and access to work for long-term unemployed. The BDA for example stresses that a sustainable reform has been a demand of the employers for a long time since the long periods of unemployment for those with low skills are still a major challenge to the German labour market. Therefore employers demand the enhancement of activation practice, guidance, placing service and employment promotion for low skilled persons. As stated in the response to the survey the BDA stresses:

*“It is of utmost importance to facilitate job entry and social rise by education. Reaching these aims also means a major advance regarding the implementation of the principle of Flexicurity.”*

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<sup>5</sup> For further details: Busse, G./Seifert, H. 2009: Tarifliche und betriebliche Regelungen zur beruflichen Weiterbildung, Düsseldorf, Hans-Böckler Stiftung.

Similar opinions have been put forward by *the German Association of Skilled Crafts ZDH* and the German section of CEEP, the *Federal Association of Public Services BVÖD* in their replies to the survey:

- For the ZDH, the public employment system has become much more efficient as a result of the *Hartzreforms*, reducing the transition period between unemployment and jobs considerably and taking much better account of employers needs, including those of the small and mediums sized companies
- For BVÖD, there is still a need for improvement in order to have effective means in place for access to work opportunities and the management of job transitions.

A number of examples of good and innovative practice have been described by the German employers' organisations in their replies to the survey, such as “*Mehrwert Berlin*” where public enterprises try to facilitate the work entry of people at the margins of the labour market.<sup>6</sup>

An example that is illustrating a joint social partner initiative of employers associations and trade unions is the “*Beschäftigungsbrücke Bayern*” (“*Employment Bridge Bavaria*”) which has been established in May 2009 in order to build a bridge into employment for young skilled workers as well as young engineers. Against the context of the economic crisis many companies are not in a position to hire skilled workers or engineers. In order to prevent skills shortages in the coming years, young skilled workers and young engineers are hired therefore by a special company which posts these people to other companies. Hereby, young people are encouraged to opt for a technical training although employment prospects are challenging due to the current economic situation. This initiative is assessed by the German social partners in a quite different way: The German employers consider the “employment bridge” as a good example of flexicurity. In contrast, the DGB emphasizes the temporary and crisis-related character of the project that will expire at the end of 2012 and not be continued. The DGB also reviews the project critical, because it is based on the use of temporary agency work that should be used only in order to bridge labour shortage in peak situations.

It is not possible to present here a comprehensive overview of current joint initiatives in the field of labour market access, job transition and training that have been developed and implemented jointly by the German social partners at local, regional or national level, often targeting special economic sectors or company types (e.g. SME, crafts).

Although many of the initiatives mentioned above have been developed and implemented on a joint basis with the trade union organisations, the latter also have been very critical in regard to more general considerations: For the German trade unions it is for example crucial not only to discuss effective instruments and ways of job transition or mobility but also to reflect on the character and quality of the respective new job. At the same time the trade unions are concerned about the rapid increase of workers who effectively are excluded from lifelong learning and ongoing training and skills development since they are trapped in low-paid and insecure work relationships.

Against this the DGB for example demands that,

*“Overcoming the duality of the labor market through the creation of transitions into permanent, legally and socially protected jobs should be an explicit goal.” (DGB 2007, p. 10, own translation)*

### External/internal flexicurity and contractual arrangements

External flexicurity certainly has been the most controversial issue of debate between the German social partners in recent years. The private employers are demanding more flexibility and a reform of the law on dismissals (“*Kündigungsschutzgesetz*”) because in their view the regulation is too rigid and layoffs

<sup>6</sup> See <http://www.mehrwert-berlin.de/index.php>.

were overloaded by too much administrative and financial burden for the enterprises. From their point of view this is one of the most important barriers for the creation of more jobs in Germany. At the same time it is criticised that no substantial reforms have been initiated in recent years to make contractual arrangements more flexible apart from a smaller reform approach in the field of temporary contracts<sup>7</sup> which has announced in October 2009 recently by the new conservative-liberal coalition government.

The BDA in its response to our survey is summarizing this position:

*“Bureaucracy, over-regulation and confusion in labour legislation create uncertainty for companies and prompt caution when it comes to new recruitment. What is needed is a labour law with provisions that give legal certainty and predictability for the establishment and termination of work contracts, based on business practice. During the last few years reforms on labour law regulation – implemented to substitute a disappearing job as seamless as possible with a new job – did not take place.”*

The German trade unions reject this interpretation. From the point of view of the DGB for example, there is a significant imbalance within the flexicurity concept in particular in the context of contractual arrangements. The trade unions criticise that a growing flexibility with regard to contractual arrangements have not been accompanied by measures providing sufficient contractual as well as social security. For the trade unions, the labour market reforms of the last decade have resulted in negative and unjust effects: A growth in poverty, the emergence of “working poor” and the development of a segregated labour market where permanent jobs with a relatively high standard of security and working conditions quality are substituted by new forms of work which are characterised by a high degree of precariousness.

From the point of trade unions and as stressed in critical evaluations of flexibility and security in the Germany labour market,<sup>8</sup> the expansion of flexible forms of work such as fixed-term contracts, temporary agency work or “minor jobs” (“*geringfügige Beschäftigung*”) are resulting in a growing risk of precarious work and in-work poverty. Non-permanent jobs, in which women – as shown above – are clearly overrepresented, are much more likely than permanent jobs to be low paid, less secure and solid and not covered by continuous training activities. From this perspective it is quite obvious that the increase in labour market flexibility has resulted in an decrease of social security and that the imbalance of both flexicurity components has increased in recent years.

Against this the trade unions today strictly oppose further initiatives such as the flexibilisation of standards of dismissals protection or to increase the duration of temporary agency work and demand a return of agency work only as an instrument aiming at bridging rapid increases in demand. According to the trade unions, the growth of external flexicurity has contributed to a growing segregation within the German labour market in particular by the strong increase in the number of “mini jobs” and temporary agency work. Both forms of employment are characterised not only often by precarious working conditions but also disadvantages in terms of training, social security etc. Therefore, trade unions strongly demand measures aiming at increasing the security aspect, e.g. increase in unemployment benefit of long-term unemployed, support to move to jobs of good quality, more training and support mechanisms for low-wage earners, part-time workers, agency workers and the self-employed.

In contrast to the controversial debate on external flexibility, the field of internal flexibility is characterised by much more joint and common positions of social partners at various levels. It has to be stressed here, that measure of internal flexibility are agreements between the social partners on more

<sup>7</sup> The new government intends to abolish the general ban on re-employing workers who have previously worked for a company on a fixed-term basis without giving adequate reasons. The ban is going to be replaced by a waiting period of 12 months.

<sup>8</sup> See for example: Tangian, A./Seifert, H. 2008: Flexicurity – Gibt es ein Gleichgewicht zwischen Arbeitsmarktflexibilität und sozialer Sicherheit?, WSI-Mitteilungen, 11+12, p. 627-635.

flexible work organisation that are carried out within a clearly defined framework and that are supported by the social partners at company level.

Already mentioned has been the massive expansion of short-time work schemes in the context of the economic crisis which has been based on joint demands of employers as well as trade unions. Short-time work schemes enable a company in crisis situations to adjust the working time very rapidly to the demand. The companies are relieved quickly from labour costs with part of the failed wage employees get replaced by unemployment insurance. It has to be highlighted that the instrument is accepted by the workers employees only if it will stabilize the job security and if the remaining wage is able to bridge the lost working time. From the point of view of the German trade unions short-time work is an ideal instrument of internal flexibility because risks for the workers are reduced and the burden is shared.

Apart from that, there are many other instruments which have been agreed in collective bargaining at sectoral or company level aiming at increasing internal flexibility by working time regulations, i.e. annual or lifetime working time accounts and tailor made solutions for specific company situations. These agreements supplement short-time work schemes and are linked to them. The recent crisis has shown that internal flexibility was able to cushion the effects of the crisis significantly so that other forms of external flexibility were not necessary.

Also in the public sector flexible working time is part of the collective agreement (TVöD) and therefore flexible contractual arrangements are part of many work contracts.

As the BDA has stressed in its response to our survey, enterprises in Germany are contributing significantly to new needs of both employers and employees by having developed and implemented innovative solutions, often based on company or even sector agreements:

*“This policy is supported by BDA. In April 2010 a new study was released which points out that more and more companies assume themselves responsible for reconciliation of work and family life. Many companies have established flexible working time models. 70% of companies offer flexible daily and weekly working time models. In more than 79% of companies employees are employed who work on a part time basis. Telework, job-sharing and sabbaticals are other aspects which are offered by companies to reconcile work and family life (...). Every third company offers special job training for employees after parental leave.” (quote from BDA flexicurity survey reply)*

A further example for an innovative flexicurity element in the German labour law has been described by the *German Association of Skilled Crafts ZDH* in the response to our survey:

German labour law foresees the possibility in a number of labour provisions to derogate from the legal standard laid down in the provision through collective agreements of social partners (*“Grundsatz der Tarifdispositivität”*). For example, the social partners can reduce or extend via collective agreements the duration of periods for lay-off of employees (§ 622 *Bürgerliches Gesetzbuch – civil code*).

### Active labour market policy

The utilization of active labour market policy has a long tradition in Germany with many instruments in place for the whole catalogue of ALMP objectives in different areas. In the context of the labour market policy reforms during the last decade also a process of streamlining and evaluating the ALMP instruments of the Public Employment Service (*Bundesagentur für Arbeit*) took place. After 2003 activities and instruments were redesigned in order to increase both the efficiency and effectiveness of the ALMP system. This reform is still ongoing and was flanked by a number of legislative changes that are aiming at better implementing certain principles, e.g. compulsory early registration, individual guidance etc.

From the point of view of the German employers the reform process and in particular the evaluation of existing ALMP instrument in order to concentrate on the most efficient and effective ones has been a major progress as compared to former periods, when ALMP was mainly about the introduction of ever new and costly measures. Therefore, the principle of continuous evaluation of ALMP instruments which was implemented by the *Hartz laws* is highly welcomed by the employers' organisations. However, from the point of view of BDA and ZDH there still is room for improvements. As the BDA states in the reply to our survey:

*“There still remains a tendency to provide a large number of jobs in the highly subsidised public employment sector, especially for low-skilled unemployed, instead of concentrating on effective measures to active and assist them for a quick integration in the regular labour market. This is done by several different public-employment programmes, some of them even with financial support by the European Social Fund (ESF).” (quote from BDA flexicurity survey reply)*

Against this, the proposal of the government that in 2011 there will be another reform of ALMP with the aim of reducing the number of ALMP measures to only those which are really effective in terms of accelerating the return of unemployed to the real labour market (not public subsidised work) is regarded as a positive initiative by the German employers.

In principle, this approach is also supported by the trade unions which however at the same time demand increased activities (both in quantitative as well as in qualitative regards) in various fields of ALMP to more effectively address the major challenges in the context of long-term unemployment and disadvantages of certain labour market groups.

A positive recent initiative that illustrates the implementation of flexicurity principles in ALMP has been mentioned by BDA in our survey: The *“Initiative to accompany structural change”* promoted by the self-governance board of the Federal Labour Office (BA) (consisting of both employers' and trade union representatives as well as representatives of public administration) is aiming at the encouragement of training and qualification especially for low skilled unemployed. Its aim is to enhance employability of the low skilled, to raise their probability to find a new job and to accelerate the transition to a new job if they should become unemployed again later.

However, there still are many challenges to be addressed in order to improve existing problems and deficits of labour market policy in Germany as the EU Commission states in the 2009 assessment of progress made by Germany in the implementation of the Growth and Jobs Strategy:

*“The Council recommended Germany to tackle structural unemployment. Qualification and training measures for the unemployed have been stepped up after a severe cutback in 2005. However, participation rates are still lower than in other active labour market measures particularly as compared to those targeted at subsidised employment. After having dropped plans announced in the previous NRP for a comprehensive reform of the low wage sector, wage subsidies for certain target groups have been redesigned to make them more effective. However, a more systematic reform is needed to increase financial incentives to take up work and to move to full time jobs. Some progress has been achieved as regards the employment services for unemployed recipients of basic income support and the planned reforms of active labour market policies and employment services may further increase efficiency. In view of the expected rise in unemployment, efficient implementation will be crucial to ensure the success of these reforms.” (EU Commission 2009, p. 25)*

## Supportive social security systems

The impact of the *Hartz reforms* and in particular the merger of unemployment benefits for the long-time unemployed and the social benefit system (so-called “Unemployment Benefit II”) has been a focus of major debate in Germany. Not so much the reform itself – which has been welcomed as a step in the right direction since it now clearly draws a line between those unemployed persons who are able to work (and therefore receive unemployment benefits) and those who are not (and receive social



benefits) – but the effects on the financial situation of long-term unemployed is a highly controversial issue.

For trade unions and welfare organisations the current benefit level simply is too low and/or it is not clear according to which criteria the level of benefits are defined in order to take part in social life and the system has contributed strongly to the growing problem of poverty and social discrimination in German society. Therefore trade unions are demanding an increase in unemployment benefits in particular for long-term unemployed and measure that are targeting the growing phenomena of people in low-paid jobs. As collective bargaining in many sectors has not led to decent wages in certain sectors (in particular in the service sector), the DGB and sector trade unions today consider a general legal minimum wage as one of the most important issues.

In this context it should also be noted, that the growing number of people working but at the same time in need of complementary benefits (so-called “*Aufstocker*”) have caused concerns in the public sector, where this has caused increasing financial burdens for local authorities that are in charge of social benefits.

In contrast to this, employers associations such as the BDA or the ZDH are stressing the positive aspects of the Hartz reforms which in their view have made the social benefit system more efficient and fair. For the BDA there is still a need for improvements insofar that the assistance system for the long-term unemployed (*Code of Social Law II*) does still not provide sufficient incentives to return to work as quickly as possible.

It should also be mentioned here that the social partners at company level as well as in certain sectors of the economy have agreed on complementary occupational pension schemes, either on a voluntary basis or – as in the public sector collective bargaining agreement – as an obligatory system.

One of the most important examples of a joint approach in supplementary pensions is the “*Metallrente*” (“*Metall Pension*”) which has been developed and implemented jointly by the *IG Metall* and the employers’ federation *Gesammetall*: In 2001, both social partners established this retirement pension scheme, which is supervised by an advisory board consisting of the collective bargaining partners and external financial experts. Employees are free to contribute up to 4% of their annual gross pay (to a maximum of EUR 2,400) and can choose between three types of pension insurance systems. Since 2007, *Metallrente* is open to companies which are not members of *Gesammetall*. Companies of the textile and garment industry, the steel industry and the wood carving industry have joined *Metallrente*, after *IG Metall* concluded collective agreements with the respective employer associations.

In the public sector, the social partners have contributed significantly to the security of old age income by a collective agreement on an employer-funded supplementary pension, which is now mandatory. As in many private sectors there is also the possibility of a voluntary private pension insurance.

By such initiatives the social partners directly contribute to the financial sustainability of the social security system.

## High quality and productive workplaces

The issue of high quality and productive workplaces has been addressed by quite a broad range of initiatives and schemes sponsored by all relevant actors, i.e. the German government (for example by the “*Initiative Neue Qualität der Arbeit*” INQA (“*Initiative New Quality of Work*”), a major research programme on “*Innovative Arbeitsgestaltung*” (“*Innovative Work Organisation*”) carried out by the Federal Ministry of Education and Research but also by employers associations and trade unions either jointly or unilaterally.



As the BDA describes in the response to our survey, an important topic of high quality and productive workplaces is health and education: Here, the employers play an active role. According to the BDA the employer financed *Employers' Liability Insurance Association* in 2008 spent EUR 800 million on prevention measures in companies. To also enhance the employees' responsibility for their own health, more and more firms offer guidance and help concerning workplace health promotion.

A trade union initiative focussing on another aspect of high quality and productive workplaces are the “Good Work” initiative of the DGB and similar schemes developed by member unions such as the IG Metall which is running the initiative “*Besser statt Billiger*” (“*Better instead of Cheaper*”) for some years now. With the concept of “Good Work” the DGB has developed a normative approach which explicitly should be regarded as an alternative labour market model. On its 2010 national congress, a resolution was passed that lists the following aspects and dimensions of “good work”:

*“Training and development opportunities for creativity, career opportunities, possibilities to influence and shape things, information flow, leadership quality, corporate culture, collective responsibility, meaning of work, working time organisation, intensity of work, emotional and physical demands, career prospects and job security as well as income. This list illustrates the diversity of the work and how wide-ranging the mandate for shaping “Good Work” is today. For workers above all, a solid and reliable income, a secure and permanent job and work satisfaction are important - and they want to be taken seriously as a human.” (19th Federal Congress of the DGB. Motion Bundeskongress, Decision on “Good work for a sustainable work society”, own translation)*

For the Germany trade unions, the Good Work concept could contribute to the imbalances they have identified with regard to the Flexibility-Security nexus in the German labour market: By integrating the Good Work concept into the flexicurity approach it could strengthen the qualitative aspects of flexicurity and in particular its principle of aiming at creating “better jobs”.

## Gender equality

According to the latest EU figures published in 2010 Germany has one of the largest gender pay gaps in the European Union, standing in 2009 at 23.2% - according to the EU figures, only Estonia, the Czech Republic and Austria are performing even worse.<sup>9</sup>

Against this it is quite a surprise that neither in the 2008-2010 National Reform Plan of the German Government nor in the European Commissions'/Council assessment reports this issue is addressed at all and concrete measures such as taken in other countries (e.g. *Equal Pay Commission* in Denmark or the Austrian “*Action Plan for Gender Equality*”) are totally missing.<sup>10</sup>

As the replies to our survey show, activities in the field of gender equality are focussing on the issue of work-life balance or access to work (e.g. for young women in traditionally “male dominated” professions) although they are not restricted only to these issues. Only the employers in the public sectors report that in the public sector there is a transparent system of wage scales in place that prevents gender pay gaps. Of course, it must be commented here, that also in the private sector, the determination of wage levels is happening regardless of the respective gender and pay structures as regulated in collective bargaining agreements..

With regard to equal pay initiatives, the social partners are involved in the national action alliance “*Equal Pay Day*” and the ESF social partner programme “*Equal Treatment of Women in the Economy*”.

## Financial sustainability

<sup>9</sup> See: <http://ec.europa.eu/social/main.jsp?catId=685&langId=en>.

<sup>10</sup> It should be noted here that gender equality issues in Germany are dealt with at the federal state level of “*Länder*” government.

According to the respondents of our survey, it is the duty of the government to secure a sound financial basis of the social security system and of tax financed social aid measures. Steps to reduce public spending are now being undertaken by the government. However, for the time being it is very unclear which effects these cuts will have on the different policy fields related to flexicurity. Equally uncertain is what impact the fiscal consolidation efforts at the federal level will have for the federal states and municipalities.

### Conclusion: Strengths, weaknesses and challenges

The description of debates, demands and approaches of the German social partners with regard to flexicurity has shown that there are two rather divergent perceptions of the term. This makes it extremely difficult to talk and reflect about flexicurity in a non-political or ideological way. For the employers the term is positively connected to the need to create more flexibility, transparency and reliability in the German labour market and to establish conditions that create more jobs. For the trade unions and against their experience of a decade of labour market reforms, flexicurity is applied to measures which actually have contributed to a growing segmentation of the labour market, a growth of precariousness in work and in general a growth of insecurity. Therefore, they demand in accordance to the flexicurity approach an increase in labour market security.

The review of different policy fields has also shown that under the surface of this general political controversy there are layers, where social partners work together and develop joint approaches, e.g. in the field of lifelong learning, qualification and training or internal flexibility. This pragmatic approach is driven by joint interests of employers as well as employees at company and at sectoral level.

## 3 The role of the social partners

### General remarks on the role of social partners

The German system of industrial relations historically is closely connected to the post World War II-period. Against the background of fascism and the shattering of social partners' organisations it is based on the wish to have a depoliticised model of labour relations and to separate industrial conflicts from the workplace. Furthermore, German industrial relations exhibit strong juridical ties based on legislation and case law. The most characteristic feature is the 'dual system of interest representation' as well as the collective autonomy based on trade unions and employers who are solely responsible for collective bargaining which is carried out at the sector/industrial level. Works councils as the main workplace employee representation bodies are not allowed to be engaged in collective bargaining and industrial action.

The social partners in Germany not only play an important role in the context of collective bargaining. Above that there are numerous fields of influence, e.g. in the field of regulating social security insurance or in the labour administration. Furthermore it has to be noted that the German system of "co-determination", i.e. legal guaranteed participation and co-determination rights of the workers clearly differs to other countries. In contrast to this and in particular Roman countries there is not tradition of central bilateral or tripartite social dialogue in Germany. There have been attempts in this context, e.g. the "Alliance for Jobs" ("*Bündnis für Arbeit*") under the Social-Democratic/Green Coalition Government in the late 1990s which have not been very successful.

## Main instruments and levels of influence

As already mentioned before, the German system of industrial relations is very much based on the pillars of labour law legislation, the autonomy of collective bargaining and company based co-determination and participation of workers (supervisory boards)

Collective bargaining at sectoral and – increasingly – at company level is the most important playing field of developing and implementing solutions and practice of policies fostering flexicurity in the labour market of the German social partners. Via their involvement in the management board of the federal labour agency the social partners also have a strong influence on active labour market policy implementation.

### GERMANY - MAIN SOCIAL DIALOGUE INDICATORS

	Germany	EU27
Collective bargaining coverage, 2006	63%	63%
Trade union density, 2005	22%	25%
Employer organization density, 2006	63%	n.a.

Sources: Eurofound EIRO Country profiles, EU Industrial Relations Report 2008.

However, consultation on an informal basis and exchange of views, opinions and suggestions are happening regularly in the everyday policy making process in particular in fields of interest of the social partners. Although depending on the respective political climate exchange and dialogue between the government and the trade unions, consultation, dialogue and exchange is also an important instrument of influencing policy design and implementation at the level of the federal state. As the employers' organisations reported in the context of our survey, the role of social partners and tripartite dialogue in the context of the 2008 global financial and economic crisis has increased.

Trade unions, as well as employer organisations, have been facing some major challenges with regard to collective bargaining. During the last decades in particular in the private sector there was a strong trend of decentralisation of collective bargaining: A particular challenge has been the development in Eastern Germany, where many companies have left or are unwilling to join employer organisations and prefer to bargain at company level, if at all. While the coverage by collective agreements has been decreasing until recently (however, latest figures indicate a slight increase in coverage again!), a growing number of opening clauses in collective agreements provides for variations at plant level. Since the 1990s, the German system of collective bargaining saw a continued extension of so-called opening clauses in sectoral collective agreements. These allow under certain conditions to diverge from collectively agreed standards. This usually requires the consent of both trade unions and employer organisations. According to the 2005 works council survey by the *Institute of Economic and Social Research WSI* some 75% of establishments with 20 and more employees made use of opening clauses. It should be noted here, that such opening clauses are agreements that have to be implanted within the frame defined by the respective collective agreement and implemented with specific co-determination rights of the employee representatives at company level.

However, collective bargaining has contributed significantly to the introduction of flexicurity-type measures and practice at the workplace level in Germany:

- Apart from pay, the most important issues have been *working time*, including flexible working time arrangements and working time accounts. Health and safety has also been considered in a number of cases. In addition, social partners in several industries and sectors have concluded collective agreements on “demographic change”. This issue was also catered for in a collective agreement in

the chemicals industry in 2008. These agreements often include “age analyses” at company level and health prevention measures for older workers.

- Consideration should be given also to the seasonal short-time work scheme that is in force since 2006 based on a collective agreement between the social partners within the construction industry. This instrument has contributed significantly to the decline in employment in the construction sector in the winter period – the employment reduction has more than halved on average. Thus, a measure of internal flexibility has been created as an alternative for external flexibility that is also associated to a higher level of security for workers. Both social partners are stressing the success of the scheme: “*The seasonal short-time work scheme for greater flexibility in dealing with weather-related work and economic losses during the bad weather time has proved successful in the first two winter periods*” (Federation of the Germany Construction Industry, 2008). From the perspective of the trade union IG Bauen-Agrar-Umwelt the “*goal, namely to reduce the seasonal decline in employment was clearly achieved.*”<sup>11</sup>
- Triggered by risks of plant closures and redundancies, unions such as *IG Metall* or *ver.di* have in several cases negotiated a new type of collective agreement (*Sozialtarifverträge*) to regulate plant closures or relocations of sites. These agreements usually provide for the transfer of employees to job transfer agencies, training, and redundancy payments.
- Also in the public sector in the context of restructuring processes, e.g. in the hospital sector, collective agreements aiming at socially cushioning restructuring were concluded between the employers and the *ver.di* trade union..
- It should also be noted here that the fundamental collective bargaining reform in the public sector in 2005 in addition to the reform of the payment system established a number of innovations that are connected to flexibility and security, e.g. more flexible pay system, flexible working, training and staff development, or increased mobility.
- Lifelong learning and training other than vocational training are rather new issues addressed by collective bargaining. Already in 2001, *IG Metall* and the employer organisation of the federal state Baden-Württemberg concluded a collective agreement on training, which was meant to be pattern setting. By now, there are agreements on training in various sectors.
- Issues of gender equality have been rarely directly addressed in collective agreements. As in German public policy, gender equality is reduced to the theme of work-life balance and is issued as a matter of working time flexibility. A special feature of the civil service in this context is the practice of “staffing”, which has resulted in a growing number of women in high executive positions (for example, in the judiciary).

## Recent changes and challenges

When it comes to the impact of the economic and financial crisis and other changes on social dialogue and the influence of social partners on policy and practice, the assessment of trade unions on the one hand and private as well as public employers on the other hand differ quite significantly as the description of social partners’ positions in certain policy fields have shown already.

With regard to their view on major challenges of the future, the German social partners also show different assessments and orientations: While for the employers’ organisation the reform process described above and the flexicurity concept as they have interpreted is a good starting-point and track

<sup>11</sup> All quotes are from a documentation of a hearing in the German Parliament (BT\_Drs. 16/11487), <http://dip21.bundestag.de/dip21/btd/16/114/1611487.pdf>.

for the years to come, the trade unions demand a general change of major policy orientation. As shown above, this change should be more clearly focussed on the normative goal of “good work” and the quality of work. In reflection of the effects of labour market reform as well as the social effects of the crisis and structural change in Germany, there is a need to define a fresh approach, or, as the DGB has called it in a position paper on the Europe 2020 initiative, a “*comprehensive flexicurity approach*” that is aiming at creating “*Change Security*” (DGB 2010, p. 6).

### Cases of good practice in the field of labour market flexibility and security

A number of cases of good practice have been pointed out by the German social partners in their replies to the questionnaire survey. Since they have been described in more depth in chapter 2 and 3 already the following table is just summarizing the cases again and presents information on the respective social partner and key words to classify the cases.

#### CASES OF GOOD PRACTICE IN THE FIELD OF “FLEXICURITY” AS SUGGESTED BY THE GERMAN SOCIAL PARTNERS

	Social Partner	Flexicurity principle addressed
Employers initiatives on work-life-balance	BDA/BusinessEurope	Work-life-balance
“Employment Bridge Bavaria”	BDA/ Bavarian Business Association (vbw) BusinessEurope	Job transition/mobility
Service Centre VET and further training of the Bavarian electric and metalworking industry employers	BDA/BusinessEurope	Lifelong learning
Possibility in a number of labour law provisions to derogate from the legal standard through collective agreements of social partners	ZDH / UEAPME	Contractual arrangements
“ <i>mehrwert.berlin</i> ” - public enterprises try to facilitate the entry of people at the margins of the labour market	KAV (Municipal Employer Association) Berlin / CEEP	Inclusion and employment transition
Promoting alliances and networks for future orientated jobs (e.g. renewable energies)	BVÖD / CEEP	Active labour market policy
Initiative “Good Work”	DGB / ETUC	High quality and productive workplaces
Short-time work as an instrument of labour market policy Seasonal short-time work scheme in the construction sector	DGB / ETUC BDA/BUSINESSEUROPE ZDB/HDB/ UEAPME IG BAU / ETUC	Internal Flexibility

Sources: Questionnaire replies and interviews

## 4 Key points arising

From the point of view of the author of this report the following key points are arising in regard to flexicurity in Germany:

- *There are quite fundamental differences between the social partners in regard to the flexicurity concept as a guiding model for labour market policy and reform (strong support by employers’ – strict opposition by trade unions). At the same time there are also many cases of joint practice and initiatives at company and sector level which are based on joint interest (e.g. in the field of employment security, education and training, LLL, access to work etc.).*
- *In particular against the shrinking resource base of public finance in the context of the financial and economic crisis, both employers’ federations and trade unions are interested to focus the toolbox of ALMP instruments and schemes on those measure which have proved to be the most effective and efficient ones.*

## Sources and references

### Replies to the questionnaire survey, interviews and other contributions

Questionnaire replies were received from the three major employers’ organisations in Germany: the *Confederation of German Employer Organisations* BDA, the *German Association of Skilled Crafts* ZDH and the German section of CEEP - the *Federal Association of Public Services* BVÖD.

The *German Trade Union Federation* DGB has not responded to the questionnaire reply but has supported this survey by an interview and a comprehensive package of material and information that explains its position and opinion on flexicurity.

Interviews with representatives of all organisations mentioned above took place in Berlin in July 2010.

### Further resources

Bundesvereinigung der deutschen Arbeitgeberverbände 2010: Flexicurity. BDA Kompakt, Februar.

Deutscher Gewerkschaftsbund 2007: Stellungnahme des Deutschen Gewerkschaftsbundes zur Mitteilung der EU Kommission “Gemeinsame Grundsätze zu Flexicurity – mehr und bessere Arbeitsplätze durch Flexibilität und Sicherheit”, DGB Bundesvorstand, Dezember.

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