

Industrial relations for a green economy

Innovative bargaining processes for a sustainable growth and a quality employment



Project VS/2014/0405 co-founded

by

DGESAI - DG EMPLOYMENT, SOCIAL AFFAIRS and INCLUSION

Case Germany:
Climate Protection Plan NRW (*Klimaschutzplan NRW*)

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PRESENTATION (IDENTITY CARD OF BEST PRACTICE)

- **Name of initiative/project/ intervention/agreement**

Climate Protection Plan North Rhine-Westphalia (*Klimaschutzplan NRW*) – How trade unions get involved in the new climate protection policy in NRW

- **Brief description**

The case highlights how trade unions can play a constructive role in a climate protection policy at a federal state level and how they can get involved in social innovations like the participation process of the Climate Protection Plan (CPP).

In January 2013 the Parliament of the German federal state North-Rhine-Westphalia passed the Climate Protection Act, the first law in Germany that sets concrete climate protection goals. Greenhouse gas emissions should be reduced by at least 25% by 2020, and by at least 80% by 2050 (vs. 1990).

By now, these targets are being developed in a very broad participation process, the Climate Protection Plan (CPP). The CPP will serve as a road map outlining the measures needed to reach the ambitious climate protection targets. The trade unions are involved in the CPP and have developed own suggestions for concrete measures.

- **Geographic, territorial, sectorial localisation,**

Germany, Federal State North Rhine-Westphalia, all sectors

- **Period of activity**

2013/2014

- **Players / promoters**

Government of NRW, more than 400 experts from the private sector, industry, energy sector, trade associations, local associations, chambers associations, employer organisations, trade unions, environment protection organisations, academia, organisations of the churches, consumer organisations and many other players from civil society.

- **Players/partners involved, their main functions**

Broad participation process. Very intensive cooperation in regulating committee, working groups and sub-working groups over a period of two years. The working groups proposed more than 360 climate change mitigation and adaptation measures.

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▪ **Types of Beneficiaries (direct/indirect):**

Climate protection measures will have an impact esp. on the employees in the energy-intensive production sector and in the energy sector (more than 200.000 employees in energy-intensive industries). More than 33.000 employees work in the renewable energy sector (mechanical and plant engineering).

▪ **Human resources involved in the negotiation process and their competencies**

Trade unions were involved in all working groups of the CPP.

The central suggestion of the trade unions is a project titled “Resource efficiency by participation of workers” (the following description focuses only on this project).

▪ **Indicators for monitoring and evaluating activities**

A research institute will monitor the activities deriving from this first CPP. The CPP period lasts for 5 years. After this period the next CPP will be developed.

DESCRIPTION: Trade Union Project “Resource Efficiency by Participation of Employees”

- **Starting point of the initiative/project/intervention as related to the territorial context (societal, economic, political)**
- Over the last years the efficient use of resources has become even more important for competitiveness. Experience shows that a more systematic and more intensive participation of employees in this area leads to a more comprehensive analysis of work processes and improvements:
 - Employees have a positive view on resource efficiency. It is less controversial than other topics like e. g. lean management. This makes it easier to share knowledge of experience.
 - The approach of resource efficiency focuses on the complete processes of production and services. As a result all processes become more stable and the establishment becomes more competitive.
- The NRW government has created many instruments and programmes to improve resource efficiency. However, the participation of employees in this area is still underdeveloped. Experience shows that technological and organisational instruments have only limited effects when employees and interest representation are not adequately involved in the initiation and implementation of the measures.
- Partners in this suggested project are the government-funded Energy Efficiency Agency NRW (*Effizienz-Agentur NRW, EFA*) and “Energie Impuls OWL”, a regional association in the east of NRW. EFA is the centre for small and medium-sized manufacturing enterprises in the German state of North Rhine-Westphalia for all queries regarding cleaner production

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and resource efficiency. It was founded in 1998 as part of an initiative set up by the Ministry for the Environment in North Rhine-Westphalia. The objectives of their work feature comprehensive strategic and technical improvements concerning a sustainable economy – through new strategies, innovative technology and ecologically-oriented measures.

- The suggested trade union project takes action to overcome the limited prospect of the existing range of services of EFA. This means we do not want to develop an isolated trade union approach but want to add a participation tool to the “technological” standard instrument. This instrument is well-developed and has achieved a good reputation among SMEs.
- The project provides an opportunity to highlight the positive and active (!) role of employees and of interest representation players in this important action field.
- **Description of the socio-economic, territorial, corporate context in which the initiative is based.**
- Federal state North Rhine-Westphalia:
 - 17.5 m. inhabitants,
 - 599 bn. €GDP/y.(highest share of GDP in Germany: 22%)
 - High share of the production sector (27%); problems to reach the pre-crisis level of 2008
 - Unemployment 8.2% (June 2014), high share of long term unemployment
 - employment (subject to social security contributions): 6.1 m (slightly growing)
- The initiative is embedded in the CPP NRW.
- DGB made an effort to reach the support of the employer organisation (production sector) that proved unsuccessful.

- **Is it possible to describe the “philosophy” inspiring the best practice?**

Trade unions have an interest to shift the focus of the discussion about cost reduction in the companies from labour costs to energy and resources. Evidence shows: if employees are systematically and intensively involved in energy efficiency processes on the shop floor, the analysis of working processes and the results can be improved.

The logic of the suggested project fits into the “better not cheaper”-approach of the IG Metall NRW that began in 2004. The basic idea is that we “can’t beat Beijing on price”. We need to have a competitive advantage through quality if we want to continue to keep jobs and income in the future. In order to reach these goals, the trade unions demand personnel development, worker participation, good work organisation, and investments in R&D in the companies. From this point of view, green issues such as an improved resource efficiency can be seen as an innovation project to increase competitiveness and to increase job security.

Although the “philosophy” has a strong industrial policy bias, it is not one-dimensional. Other key words – that cannot be outlined in detail here – include:

- level of society: transformation to a sustainable society,

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- level of economy: combining ecological change, more and better jobs, and competitiveness
 - level of industrial relations: union revitalisation,
 - level of trade unions: capacity building and diffusing the practice of proactive codetermination,
 - level of the company: activation of working people as “work experts”
- **What problems/general needs do the interventions try to address? What specific ones are there?**

The project wants to

- stop waste of resources and energy (43% of production costs);
 - create consciousness in the workforce
 - create transparency (what is going on in my company regarding resource efficiency)
 - create facts and figures about the recent status
 - involve employees
 - create links for work councils action
 - increase knowledge about instruments and how to use them
- **What goals/ends/ does the intervention try to achieve? What bargaining dynamic had been in place?**
- The participation of SMEs is voluntary, not subject to collective bargaining.
 - As far as we know, there are no plans to include the project approach into formal collective bargaining processes, neither by employers nor by the unions.
 - A formal instrument to place resource efficiency on the agenda on the company level is the works council constitution act (*Betriebsverfassungsgesetz*). § 80,1 No.8 and § 92a BetrVG provide the WC with rights for information, for suggestions and for the opportunity to discuss these suggestions with the employer.
 - In some companies the topic of resource efficiency is part of CSR processes.
- **What activities and instruments does the intervention operate through?**
- EFA uses the well-proved PIUS-concept for their resource efficiency consulting (PIUS = production integrated environment protection). This concept is compatible with formal production standards (VDI Norm 4075). The consulting can be performed by EFA-experts (engineers) or by external experts who are charged by EFA (EFA expert network). Measures can be technical, organisational or can concern behavioural change. However, interest representation and employees are insufficiently involved. Technical experts are no experts for participation.

For this reason, the project will add two modules to the standard procedure:

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- “initiation module”: information material for the representation of interests, check for the status quo evaluation in the shop floor area (what relevance does resource efficiency have in my establishment), participation check (how can the representation of interests be actively involved in resource efficiency processes).
- “participation module”: self-check for employees, tools for participation (methods how to organise participation of employees), expanding employee suggestion systems.

These modules will be arranged by the experts of the technology agency of the DGB NRW (TBS NRW), which has a great competence in organizing employee participation.

▪ **How actions can increase knowledge and support overcoming specific problems**

- The project wants to stimulate the potential of employees (use of existing rights etc.) in the areas of activity concerning resource efficiency.
- Problems on the industrial relations level: some employers reject any effort to expand the areas of activity of works councils in their companies (strong restriction to “classical” issues like working conditions etc.).
- However, successful lobbying for the project on a political level (Social Democrats, Ministry for Labour, Ministry for the Environment). Finally, DGB receives strong political support for the approach.
- Recent status: clarification of details regarding funding. Intended start: 1.1.2015.

▪ **What are the most innovative aspects of the initiatives concerning the territorial context? And why?**

In the past, activities of the government agency (EFA) and of the trade union agency (TBS, *Technologieberatungsstelle NRW*) concerning resource efficiency were separated. EFA had contact to the management, TBS had contact to works councils and trade unions. The new approach wants to combine both activities.

The way to combine them is to integrate a “participation tool” in the established approach of EFA that complies with German industry standards (VDI-Norm 4075). This approach was already used in several hundred establishments in different branches such as the textile industry, food industry, chemical industry, paper industry etc..

At the same time, isolated trade union projects showed a lack of continuity in the past.

▪ **What are the “internal quality factors” of the initiative? (sustainability, internal efficiency, effectiveness?)**

- The project has not started yet.

▪ **Is it possible to transfer the initiative to another context?**

- If the project proves successful, it might be an option to permanently include the “participation tool” in the EFA approach.

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- However, employer organisations will surely resist this achievement.
- **Is the initiative reproducible in different contexts?**
 - No possible answer yet.
- **Do joint monitoring instruments also involve the contemplated stakeholders?**
 - DGB is involved by the TBS of DGB.
- **Please point out communication instruments (website, documents, booklets) concerned with the initiative.**
 - Communication instruments will be created following the start of the project.
- **Please write down your final considerations!**

It was politically important that trade unions participated in the CPP with a TU specific, convincing suggestion. The project suggestion “resource efficiency by workers participation” already proved successful in this regard.

The next step is to finalise the project funding and to start the project on 1.1.2015.