



Time over Money: New Union Deal Seeks Work-Life Balance in Germany

Insights

2.08.18

Yesterday, IG Metall, Germany's largest metal union, entered into an agreement with employers in the state of Baden-Württemberg that allows for a 28-hour work week for its members. The two-year deal covers 900,000 employees in the metals and electrical industries in the southwestern state that is home to such prominent employers as Daimler AG and Robert Bosch GmbH.

Option for 28-Hour Work Week

As part of the agreement, IG Metall members may opt to work a reduced 28-hour work week instead of the normal 35 hours. This reduction is neither mandatory nor permanent. Employees must opt-in to the reduced week and the right to the 28-hour week will expire at the end of the two-year agreement. At that time, all IG Metall members will return to the full 35-hour work week.

Right to Return to Full Time Employment

IG Metall members who opt for the 28-hour week have the right to return to full-time work. Until this agreement, employees who opted for reduced work schedules had no guaranteed right to return to full-time employment.

Wage Increase

IG Metall members will also receive a wage increase as part of the agreement. Starting in April 2018, union members will receive a 4.3 % salary increase, as well as some additional lump sum payments spread out over the next 27 months.

No Full-Time Salary; Increased Wages

Noticeably absent from the final agreement is IG Metall's request for full-time pay for 28-hour a week employees. This request ultimately proved too much for employers, many of which have concerns with the final iteration of the deal.

Takeaways for European Employers

- IG Metall's agreements typically set the standard for other industries in Germany. German employers should expect to see similar demands from other unions across the country.
- European employers outside of Germany could see similar demands from union workers. However, the strength of such a demand would depend on the economic health of the country. Germany is currently experiencing a period of high growth and low unemployment. These conditions shift the bargaining power in favor of the employee. Employers in European countries

conditions shift the bargaining power in favor of the employee. Employers in European countries with higher unemployment and/or lower growth are less likely to feel the pressure to give into similar demands.

- This agreement shows, albeit anecdotally, German employees' preference for work-life balance over increased wages. German employers should consider this preference when negotiating its next employment contract.