

Why the German Labor Market is Failing

Horst Siebert

Abstract: This paper looks at the institutional structure of the German labor market and analyzes why Germany's present set-up produces unemployment. A high reservation wage, i.e. the wage that unemployed people are prepared to work for, determined by the level of government support, has dried up the lower segment of the labor market. Social security contributions represent a tax on labor and provide an incentive for firms to reduce jobs. In addition, the wage policy of the trade unions has overtaken full employment productivity growth. The paper also describes and evaluates the reforms undertaken in Germany to deal with these causes of unemployment.

The Right to Bargain Collectively: an International Perspective on its Extent and Relevance

Jacques Rojot

Abstract: It is generally assumed that collective bargaining is a "good thing", a worthwhile goal to be pursued in itself that provides benefits in both the economic and political areas. The aim of this paper is to look more closely at limitations to the right to bargain collectively in various countries and to define more clearly the role it can play, as well as its relevance as a generally applicable concept. After an attempt to provide a definition of collective bargaining, that is often missing in discussions, the paper examines the following points: the limited scope of collective bargaining as a process among others, the limited role assigned to it by many legal systems, and the obstacles that it may constitute to National Economic Policy. Moreover, the transformations in the process and substance of collective bargaining, that weaken its impact, are discussed, as well as ideological obstacles that stand in its way. Finally, the specific case of developing countries is considered. In conclusion, doubts are raised about whether the prospects for European collective bargaining are really as promising as was once thought.

The State of Representative Participation in Australia: Where to Next ?

Raymond Markey

Abstract: The article first examines the rationale for representative participation, and the circumstances under which it has spread internationally. It then surveys the existing data for representative participation in Australia, and presents a case for legislation to introduce a generalised system of German-style works councils. The paper concludes that the first step towards this end should be the instigation of a major research agenda to discover more regarding the elements of historical and contemporary practice which have accounted for success and failure in representative participation in Australia.

The Efficacy of Statutory Union Recognition under New Labour: A Comparative Review (Part II)

Brian B. McArthur

Abstract: This article offers a recent review of the effectiveness of statutory recognition procedures in Britain in 2003. It is argued that the new British legislation is effective because it is a delicately negotiated compromise between the competing interests of business and labour. Moreover, even though no one appears to be completely satisfied with the final outcome, the law has delivered an increase in union membership while, at the same time, essentially preserving the managerial prerogative. Given the alternatives of having no law with its respective consequences, both business and labour should embrace the legislation and work towards building new relationships premised on the principals underpinning its final design.

The Role of Social Dialogue in the Acceding Countries during the Preparatory Phase for Economic and Monetary Union (EMU)

Christian Welz, Timo Kauppinen

Abstract: The expansion of the European Union to a further 10 countries in May 2004 gives rise to new challenges. Different experiences call for initiatives based on an understanding of the acceding countries, while the demands of Economic and Monetary Union cannot be underestimated. As from May 2004, the acceding countries are eligible to apply for membership of the Euro zone provided they fulfil the Maastricht convergence criteria. How their respective industrial relations systems respond to this challenge will play a crucial role in determining the ease of transition towards an enlarged EU. The aim of this article is to examine how social dialogue can best be used in preparation for EMU to ensure economic growth in harmony with employment and social protection. The specific features of the national systems of industrial relations in the new Member States are examined, with a particular focus on the capacity of the acceding countries to support convergence towards the Maastricht criteria by means of social dialogue. The analysis also touches on the political implications of implementation of the EMU criteria, as the role of the social partners and social dialogue in enlargement and preparation for EMU is far from negligible. Social dialogue is an important element of the *acquis communautaire*, as shown by the draft Constitutional Treaty, Article I-47. It is also an important implementation tool of the *acquis* in the field of social policy, where the expertise of the social partners is required by the principle of horizontal subsidiarity. With a view to facilitating the transition, the article highlights the need for EU institutions and the social partners in the EU 15 Member States to invest time and resources in social dialogue capacity-building in the acceding countries.

The Effects of Privatisation on Turkish Industrial Relations through Employee Ownership: The Case of Kardemir

Halis Yunus Ersöz, Süleyman Özdemir, Arif Yavuz, Tekin Akgeyik and Hasan Senocak

Abstract: This article examines the effects on industrial relations of privatisation through employee ownership, with reference to the Turkish iron and steel company, Kardemir. Survey findings on various aspects of industrial relations are reported, examining the attitudes both of employees who have worked for the company since before privatisation, and those of employees joining the

company since. A particular focus of the survey is the role that the trade union should play in the case of employee ownership of the enterprise.