

**QUESTION RECOMMENDED
TO THE WRITTEN SUMMARY
TO BE PREPARED BY THE COUNTRIES**

GERMANY

**I.
ECONOMIC DATA OF THE SECTOR**

Please, describe the **economic data of mining (M)** separately and according to the international statistic classification. **The starting year should be 2000** or the year nearest to it, while the **closing year should be 2005** but please, provide the estimated preliminary data for the year **2006**, too.

1.) Companies in the sector mining **according to size** and on the basis of the ILO classification.

[see sector information](#)

2.) Companies in the sectors on the basis of **ownership relations** i.e. majority (more than 50%)

- **state** ownership – 1,
- **domestic private** ownership - 3,
- **foreign** ownership - 2.

[In the reporting period there have been no state owned mining companies in Germany.](#)

[Vattenfall Europe AG and MIBRAG are foreign owned companies, all others are domestically owned.](#)

3.) The number of **employees** in the sectors according to the ISCO 88 categories

- **physical** workers (main group 4-9.),
- **intellectual** workers (main group 1., 2., 3.).

[no statistic data available.](#)

4.) The **sectors**?

- **Production value** at comparative prices, from this
- **Domestic sales,**
- **export,**
- **weight** in percentages within the industry structure – including the food and the processing industries.
- **Import**

[large import of hard coal,](#)

5.) How did the factors described under 1-4. between 2000. (or the last year with data available) and the year 2005?

6.) **Written opinion** on the situation of the industry. (max. 3 pages!) - [see enclosure 1](#)

**II.
LEGAL FRAME**

Please, enlist the exact the field of the legal frame of the industrial relations in the mining sector. (**title number of the act and the date it took force.**)

[The important law for the social dialog to be valid for all sector in Germany, is the Betriebsverfassungsgesetz, to settle the dialog in the companies. The Tarifvertragsgesetz to determine the effects for collective bargaining. Three laws \(Mitbestimmungsgesetz, Betriebsverfassungsgesetz 1952,](#)

Montanmitbestimmungsgesetz) regulate the right of participation of employees in supervisory boards. The right of codetermination and the number of employees and the industry concerned. The employees in the mining and steel sectors have almost equal rights.

III. PRIVATISATION

1.) Has **privatisation started and how far has progressed** in the different sectors?

- What % of former companies were involved?
- What % of the employees were?
- What % of the employees were involved in the so-called outsourcing?
- What % of employees in former companies have become unemployed?

No privatisation after 2000

2.) **Foreign capital**

- What percent of it is strategic and what percent is financial investors?
- What countries has it come from? Please, enlist them according to volumes.
- Which multinationals and foreign or domestic investors have come (in which companies, sectors etc.)?

-

No financial investor – no change 2000 - 2005

3.) **How do privatised companies perform?** n.a.

4.) What **possibilities have trade unions and workers' representations had**

- In launching privatisation, n.a.
- In the actual change of ownership, no recent experience
- In getting into the bodies of the new companies (supervisory board etc.)

codetermination laws, see above, II

5.) Written opinion on the positive and negative experience of privatisation. Under 1-4. please describe the mining, the chemical and the energy sectors separately. n.a.

IV. SOCIAL DIALOGUE - TRADE UNIONS, EMPLOYER ORGANISATION

1.) Which national **trade union confederations/employer organisation** are present in the sectors with **branch/sectoral unions/organisations**? Please, enlist them according to their size (with exact name and address). How do they co-operate?

- only IG BCE - between 85 – 97 %
- employer organisations for various mining industries

2.) The development of the organisation rate **at the workplace level** between 2000 – 2005 as % of the total number of employees.

IG BCE - between 85 – 97 % in the different mining industries, largely unchanged.

3.) How many **workplaces** (small, medium size and large companies) **are not organised**?

No change

4.) Are there any other **workers' representations** parallel to the trade unions at the workplaces

- Works councils, with a detailed description of their activities, works council (see answers II)

- Labour safety committees with exact description of their structure, committee of works council

- Workers' representatives in supervisory boards etc.? Who elects or delegates them?

Yes, according to size. Works councillors or all employees according to specific law

5.) **Are there any**

- Agreements with the government or national employers' organisations covering the whole of the national economy? **No**
- Collective agreements, wage agreements at the branch level? **yes**
- Collective agreements, wage agreements at the workplace level? **sometimes**
- a.) **if there is no branchlevel agreement**
- b.) **to specity branch agreements**
- 6.) - What % -of the workplaces? **100%**
- What % -of the employees are covered by **collective agreements**? **100%**
- 7.) Do you have social dialogue at branch level in your country? How works this?
Cooperation via works concils and codetermination for the different companies, but no specific sector dialoge.

V. PROPOSALS

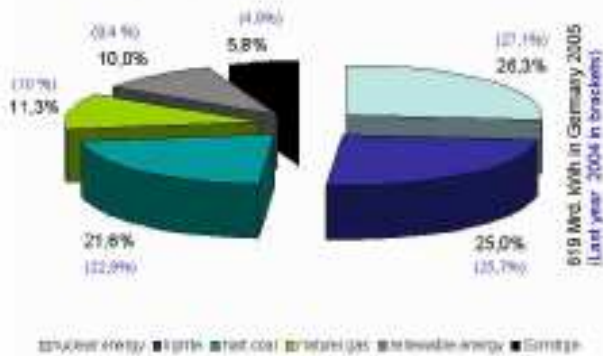
- 7.) **Vision** of the sector in the respected countries with some characteristics. (maximum 3 pages) **see sector information**
- 1.) Major **objectives and demand of the trade unions** in the country. If possible, present in one or two **short case studies** the best and the worst cases or situations. (maximum 3 pages) **possible political disasters, ie. finances for hard coal sector**
- 2.) Proposals on the „**Manual of Good practices**” to be prepared by the EU-project and on the reorganisation guide (attachment requested). (Maximum 3 pages) **see report**
- 3.) Requests, proposals, ideas

The situation of the mining industry in Germany

Although there is a variety of mining industries in Germany, I will focus only on hard coal, lignite, potash and mineral salt in this report.

The proportion of energy sources

Germany 2005 (2004)



The energy-mix in Germany

Hard coal and lignite play an important role in the primary energy consumption of Germany.

The coal areas in Germany



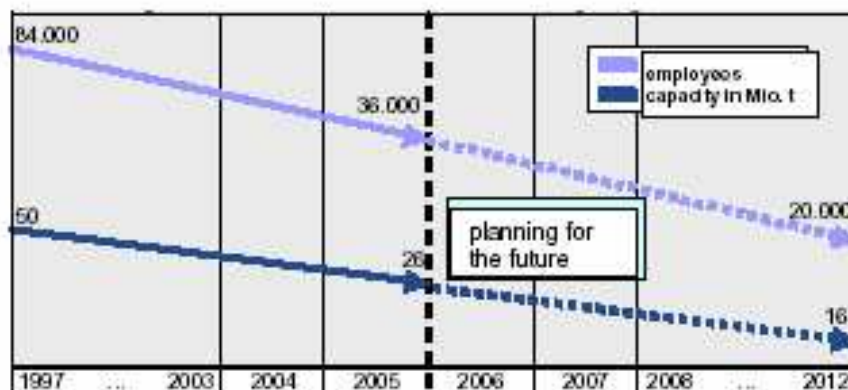
Hard coal

The German hard coal is being mined by one company only, the RAG AG in Essen. The mines are in the federal state of Northrhine-Westfalia and the Saarland.

German hard coal is about three times more expensive than the hard coal offered on the world-market. In order to reduce dependency on coal imports and to save jobs in mining areas, the German government has been subsidizing the production of hard coal. Political decisions have been taken to reduce these subsidies over recent years; the production of coal has diminished accordingly.

There has been an agreement between governments, company and trade union to create a process of adaptation with no redundancies.

The declining production of hard coal in Germany.



The production has been reduced from 50 million tons in 1997 to 26 m tons in 2005 and will be reduced further to 16 million tons in 2012.

The number of employees has been reduced from 84.000 in 1997, to 36.000 in 2005.

In 2012 we expect to have 20.000 employees only. Subsidies went down accordingly.

To create this process of adaptation is difficult.

The older employees retire early, underground miners may retire at the age of 50, if they worked underground for at least 25 years. Other employees retire at the age of 55.

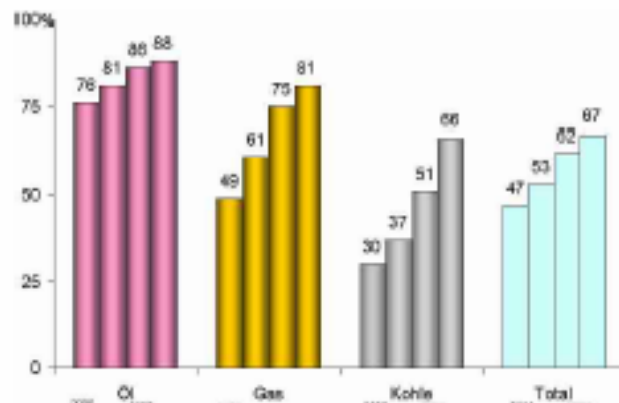
A lot of employees change business. They find work in other fields of industries. The company helps to find new jobs and offers further training.

A lot of further measures are needed to support this process, which effects the mining areas in various ways:

Jobs get lost. The supply industry loses contracts.

This has further consequences, jobs in the supply industry get lost, too. Economic power of the mining area decreases.

It is not easy to create new jobs. Unemployment rises. It is hard for new firms to settle. Firms who do settle are smaller and offer less workplaces than the mine did.



The effect on energy supply for the EU 25.

Source: EU-Commission 2004

The effect on energy supply is a growing dependency on imports of hard coal.

Lignite

In Germany there are four companies, that produce lignite:

In the west the RWE in the Rheinland, near Cologne, the Vattenfall Europe Mining AG in the Lausitz, the MIBRAG near Leipzig and the BKBAG in the area of Helmstedt (between Hanover and Magdeburg).

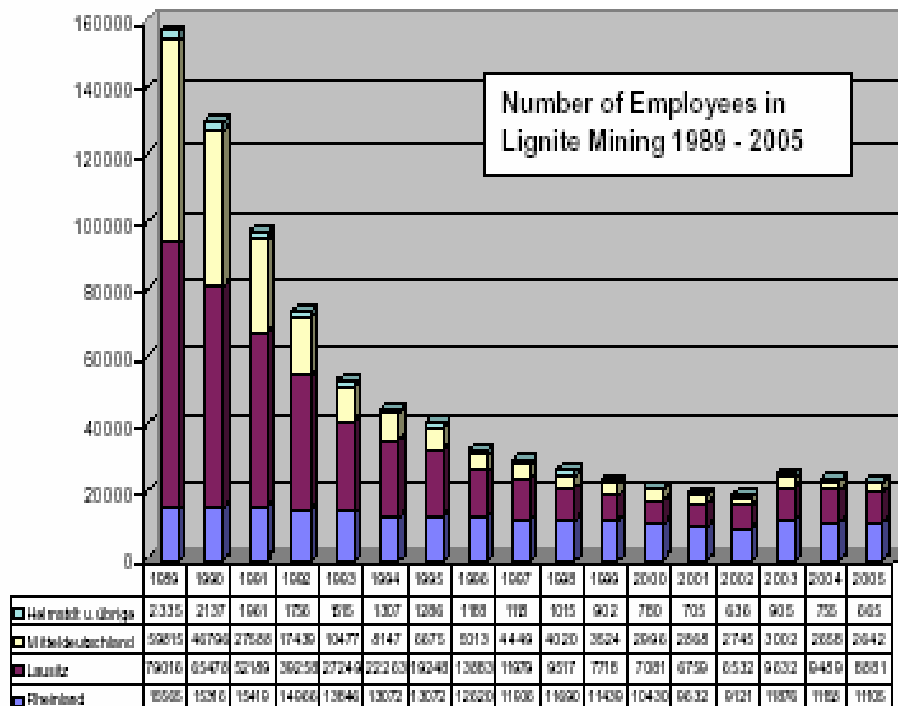
The years between 1989 and 2000 were a difficult time in the areas in the east and in the centre of Germany. During the process of reunification workplaces were reduced from around 138.000 to 10.000.

In the time frame of this report (2000 – 2005) the companies did quite well. There were hardly any redundancies.

In the Helmstedt area the stocks of coal have diminished and jobs were lost accordingly (1989 – 2335; 2000 – 780; 2005 – 655).

During this period of time the company started to develop new branches of business, which offer new perspectives for the employees and the company. The union (IG BCE) has been strongly involved in this process.

Lignite is being produced in open cast mining; this is one reason for its competitiveness. The mining companies don't need any subsidies.



As open cast mining strongly intervenes into the ecological system ecological issues are a challenge for lignite mining.

The reconstruction of the former mining area is an important task for the mining company. Former mining areas are being transformed to areas of ecological importance or to recreation areas.

The resettlement of villages in future open cast areas is an absolute precondition for ongoing lignite mining. Although the landowners are adequately compensated, people sometimes protest or take legal action. In some cases there have been legal proceedings up to the Constitutional Court.

98 % of lignite go into the generation of energy. There is always a power plant near an open-cast mine. It is of great importance to reduce the emissions of the burning process. The power plants are equipped with the most modern technology, what enables the reduction of emissions.

The new generation of power plants have a high degree of effectiveness. They make it possible to exploit coal in the most efficient way and additionally reduce emissions.

Current research follows the vision of a CO₂ free power plant.

The potash- and salt-mining

Only one company produces potash in Germany. The K plus S AG has 6 potash-mines.

In the nineties the potash companies in the east and west of

German merged. Although there were a lot of redundancies this process was absolutely unavoidable in order to be competitive on the international market.

In the period of the report (2000 – 2005) no mine was closed.

In the last years the number of employees remained constant.

Potash-Mines in Germany



The biggest problem of the European potash-industry is the potash from Russia and Belorussia. The government subsidises the potash-production with cheaper prices for gas and transport.

In the last ten years the European Commission has taken measures against this dumping price. In the near future they will decide whether antidumping measures will be continued. Without protection against these dumping prices for potash, all potash mines in the European Union would need to close.

The biggest company for salt-mining is the SWS AG in Heilbronn and Esco in Hannover. SWS has about 1.200 employees and Esco about 900 employees. The number of employees has been stable over recent years.

Their most important products are salt for the chemical industry, table salt and the road salt.

All potash and mineral salt companies have a financial interest in firms in other EU-countries. The big retailers in Europe prefer to buy from one supplier only. This is one reason of their investment.