

Germany: chemical industry social partners strike crisis agreement

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Social partners in Germany's chemical industry, the IG BCE union and the employer confederation BAVC, this week unveiled a 'crisis agreement' that will apply until the end of the year. This agreement should make it possible to adapt certain provisions of the branch collective agreement, signed at the end of November 2019, and to increase the remuneration level of employees placed on short-time working.

Following the example of social partners in the metal industry ([see article n°11748](#)), their counterparts in chemical industry have negotiated a crisis agreement that is valid until 31 December 2020. The president of the IG BCE union explained at the beginning of the week that he expected short-time working to quickly become commonplace in the sector, which employs some 1.1 million people. Chemical units and companies that serve the automobile industry have already begun to slow down or even suspend their production, such as BASF and its factories in Münster and Würzburg, which manufacture lacquers for the automobile industry. An adjustment to the rules in the branch collective agreement was therefore necessary. The agreement must "make it possible to improve the liquidity of companies in the short term and guarantee that employees can maintain their jobs", the social partners state in the preamble. To this end, the following measures were agreed on 20 March:

- **Faster access to short-time working.** The minimum period of notice for placing employees on short-time working will be reduced from 14 days to 3 days.
- **Increase the short-time working allowance.** The social partners commit to increasing the level of compensation for employees on short-time working as far as possible through negotiations at company level. This amounts to at least 60% of a worker's last net wage (67% for employees with family and children). The level of improvement will vary according to company capacity.
- **Advance use of free time from the so-called 'future account'.** Companies applying the collective branch agreement will be able to carry forward free time granted to employees for 2021 and 2022, as part of the so-called 'future account' framework, to the current year. The collective agreement initially provides that this account will be credited, as of 2020, with an amount equivalent to 9.2% of a monthly salary, in other words the equivalent of two additional days off.
- **Agreement on remote working.** Companies are free to negotiate local company agreements on remote working with their works councils.
- **Flexibility of working time.** Working time flexibility instruments (time savings accounts, working time corridor, etc.) can be adapted and used, provided modifications are made within the framework of regional agreements between the IG BCE and the BAVC, and with the involvement of the regional organisations of these signatories. The regional social partners will provide their consent in a rapid and non-bureaucratic manner to applicant companies.
- **Creation of an arbitration unit.** In the event of a problem, disagreement or legal doubt, the IG BCE and the BAVC undertake to set up an arbitration unit that will respond within a week.

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Par Thomas Schnee