

Germany – Public contracts only to companies which respect collective agreements

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The federal government in Germany plans to introduce a tariff loyalty regulation for federal government contract awards. Today, there are different practices in the country's regions and industrial sectors.

Both the trade unions and Germany the Friedrich Ebert Foundation (FES) have been focusing on the topic of public procurement law. Its immense leverage effect for good working conditions and appropriate wages is well known. Now, the three-party coalition government wants to launch a project to make sure that workers get paid according to collective agreements if they perform work commissioned by the state after public tenders.

Labour Minister Hubertus Heil announces that he will take legal measures to prevent wage evasion since collective agreement loyalty leads to fairer wages. The Minister will put forward a law proposal by the end of 2023 on strengthening collective agreements and adhering to negotiated wage levels. He is critical of the fact that barely one half of Germany's workforce is covered by a collective agreement.

Edited by industriAll Europe.