

Comments on Peter Bleses
“Remuneration in the German Broadcasting Sector: The Employers’ Perspective”

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The British context provides interesting comparisons with the analysis by Peter Bleses of the German system of industrial relations in general and the specific experience described of remuneration in the German broadcasting sector.

At the level of the industrial relations system in general, there are the changes in the role of trade union representatives in the UK, from a collective bargaining function (increasingly “hollowed-out” in the sense of a narrowing of its scope and marginalization of its procedures) to a “monitoring” function. Trade unions increasingly are confined to the task of securing the protection and enforcement of employees’ legal rights in general. The functional equivalence of this changing role to that of German works councils highlighted in the article lacks, however, the accompanying dimension of the German trade unions’ function of negotiating the regulatory framework of sectoral collective agreements.

Again, the concept of *Verbetrieblischung*, the shift from sector to company level, reflects the well-known UK experience of decentralization of industrial relations. But the relatively “controlled decentralization” in Germany retains the collective element of framework sectoral agreements, even with “opening clauses”, which is lacking in the UK. In the UK, the decentralizing shift from sectoral to company level (both still potentially collective) has been taken further down to the individual employee level. However, despite this trend away from collective bargaining and towards individualization, there are countervailing tendencies towards standardization of terms and conditions in the UK, especially including remuneration. These are

not driven by the traditional mechanism of collective bargaining but through processes whereby competitive pressures in relatively tight labor markets lead employers to adhere to going rates of pay and conditions.

Another interesting parallel is the emergence of intermediate techniques between wholly individualized or collectivized mechanisms: pay systems based not on individual performance, but on that of groups, teams, production units or even the company as a whole. Remuneration is collectivized beyond the individual employee, but implemented unilaterally by management, not negotiated with employee representatives. Wage determination is collective in substance, but individualized (unilateral) as regards procedure.

Beyond these general features, there are specific parallels with the broadcasting sector in the UK. For example, in the television sector, national sectoral agreements supplemented by locally negotiated agreements were dominant in determining remuneration up to the late 1980s. Studies of this sector (Saundry 2001) have highlighted the political concerns of the Thatcher government and the power of trade unions in this sector. These concerns led to regulatory changes which transformed the structure of the industry and, consequently, led to the decline of collective bargaining. The regulatory changes included, in the public broadcasting sector, mandatory contracting out of program production and forced competition between in-house production by vertically integrated public broadcasters with high fixed costs and independent commissioner-broadcasters operating with much lower fixed costs. In the private broadcasting sector, the opening of the market to satellite and cable technologies increased competition for advertising revenues and consequent pressure on the private sector's finances. The outcomes included enormous expansion of freelance and fixed-term employment, not least due to financial

pressures, but also due to the uncertainty over program demand which undermined continuity of production and, consequently, continuity of employment.

National multi-employer bargaining was abolished in the UK's independent television sector in 1989 and replaced by individual company agreements. At the same time, the workforce was rapidly increasing due to the massive expansion of tertiary education courses in media studies. On the other hand, the decline in employment security reduced traditional methods of training, leading to skills shortages. Expansion of the sector in general led to higher demand for programming. Both these allowed for increased bargaining power for selected groups of freelance workers, reluctant to be tied to long-term or permanent contracts.

These developments are reflected in the evidence of complaints about legal structures in the German broadcasting industry, which do not relate to wage regulation, but to the law on fixed-term contracts and dismissals. Management does not seek downwards flexibility in pay, and scope for upwards flexibility in pay is determined not by legal restrictions but by economic factors and degree of exposure to market forces. These factors are dealt with through dismissals and precariousness of employment, rather than changes in pay and conditions.

In conclusion, the competing hypotheses concerning the evolution of the German industrial relations system—erosion (decline of collective industrial relations towards individual employment), stability (adjustment of the system to new circumstances) or hybridization (continuities and discontinuities, rather characterized as “dichotomies” and competing models)—are applied to media industries said to be particularly characterized by erosion. Such sector specific studies are important in reflecting on arguments as to how legal trends in general can be characterized over discrete historical periods (Bercusson 1991). I argue in a recent paper that “the *similarities between the same sector* in the UK and Germany may be greater than the

differences between industrial relations or collective wage formation in general in the UK and Germany. Similarities between the same sector in the UK and Germany may also be greater than differences between different sectors *within* the UK and Germany. In other words, there is some similarity in industrial relations in the *same* sectors in both countries. Despite overall differences in industrial relations, the services or manufacturing sectors in *both* countries will be more *similar* to each other (in terms of working time, variable pay...) compared to the differences *between* the services and manufacturing sectors *within* each country” (Bercusson and Ryan 2005).

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