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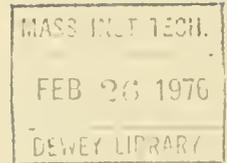
THE RETRAINING PROGRAMS:
A RESPONSE TO THE EMPLOYMENT CRISIS
IN THE WEST GERMAN COAL INDUSTRY

Catherine C. Lindsay

WP 832-76

February 1976

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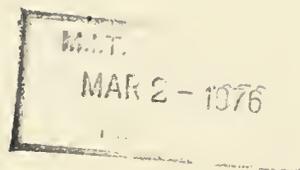
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Major Coal Producing States and Principal Mining Centers
in the Federal Republic of Germany

THE RETRAINING PROGRAMS:

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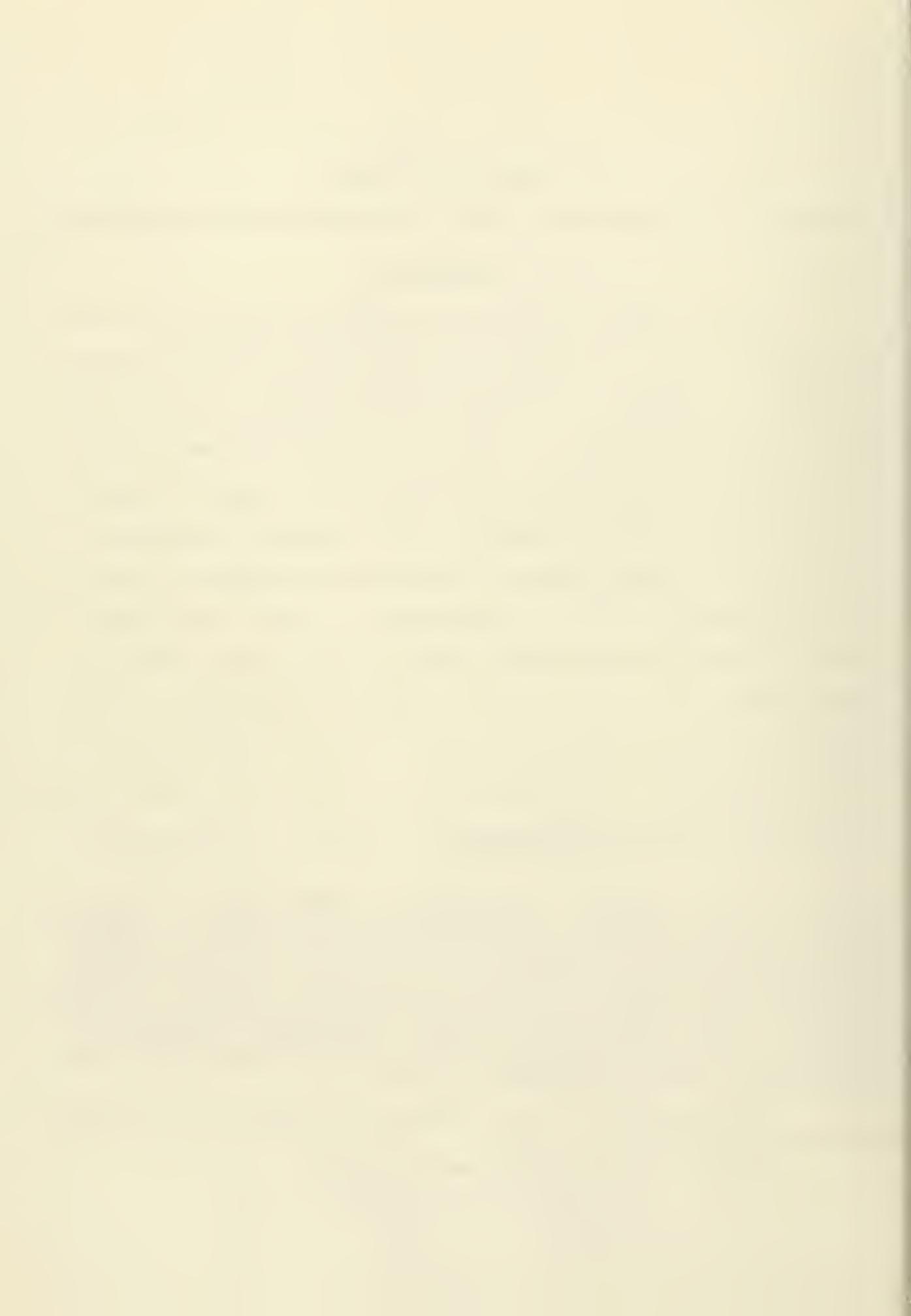
I. INTRODUCTION

For the Federal Republic of Germany, the years from 1957 to 1972 were a time of industrial expansion and increasing demand for labor in virtually all sectors of the economy, with the exception of the coal industry.¹ During this period, the West German coal industry was experiencing the effects of a dramatic decline in sales. The resulting cutback in coal production² required a reduction in the work force that caused total employment to fall from 668 thousand in 1957 to 283 thousand in 1972.³ That this reduction could be achieved with little conflict and hardship attracts attention. Hence, it is the purpose of this paper to examine the policies taken in response to the employment crisis in the coal industry. Particular attention is focused on the retraining programs (Umschulungsmassnahmen) undertaken by the employers,

¹During this period the national unemployment rate fell from 3.5 to 0.7 percent. (Unemployment in West Germany is measured as a percentage of dependently employed, rather than as a percentage of employed plus unemployed, as is done in the United States.) In response to Germany's expanding labor requirements, foreign workers from Turkey, Yugoslavia and other European countries, were being employed in increasing numbers, from 99 thousand in 1956, to 1.24 million in 1966. Deutscher Bundestag-7.Wahlperiode, "Bevölkerung und Erwerbstätigkeit," Drucksache 7/2848 (Bonn: Bonner Universitäts-Buckdruckerei, 1974), p. 222.

²See Appendix A: Coal Production and Sales in the Federal Republic of Germany.

³See Appendix B: Employment in Mining.



trade unions and the government, to ensure those miners affected by the cutbacks a viable alternative to their original professional occupation.

In researching these retraining programs, the initial contacts were the German Trade Union Federation (DGB) and the Confederation of German Employers' Associations (Bundesvereinigung der Deutschen Arbeitgeberverbände). They, in turn, recommended that the United Association of German Coal Mining (Gesamtverband des deutschen Steinkohlenbergbaus), the Mining and Energy Union (IG Bergbau und Energie) and the Economic Confederation of Mining (Wirtschaftsvereinigung Bergbau) be contacted.

In view of the scarcity of available printed material on the programs, it was suggested that I contact the Saarbergwerke AG, a major coal firm in Saarland. This contact provided opportunities to meet with individuals who had directly participated in the retraining. Consequently I was invited by Herr Gerhard Höhn, Director of the Department for Hourly-paid Workers in Saarbergwerke's personnel department, to visit at their headquarters in Saarbrücken in July, 1975.

In discussions at Saarbergwerke, Herr Höhn provided me with an explanation of the program's operational details and to some extent, with management's viewpoint of it. Following our initial talks, we visited one of the firm's larger mines, Grube Reden. There we met with the Works Council (Betriebsrat) and three former miners who had been retrained as electricians and mechanic in the company's program. Much of Section III is based on material obtained during these interviews.



The purpose of this paper is: to show that under some circumstances, viable options do exist in a declining industry to prevent needless long-term structural unemployment and its resulting costs; and, that in times of economic crisis, unions, management, labor and the government can work together to find enlightened solutions to difficult labor market questions. At the same time, it is intended that the retraining programs in the coal industry will provide a case study of the West German industrial relations system in operation.

The first part of the paper discusses the coal industry and describes the program as it was conducted in the major northern mining regions. The second section deals with the retraining programs at Saarbergwerke AG. In conclusion, a generalized model of West German industrial relations, on which the retraining programs' delivery system is based, will be developed.

II. THE INDUSTRY

Background

As coal mining was one of the few industries in production immediately following the end of World War II, it was also one of the few with a demand for labor. Many workers, in addition to the scarcity of other employment opportunities, were also attracted into mining by the miners' ration privileges. These provided more cigarettes, food and better clothing than those of the average citizen.¹ Total employment was further increased by the presence of German prisoners-of-war held captive under the British and American occupation of the Ruhrgebiet, and in Saarland under the French. These men were released on condition that they work in the mines.

In 1957, the West German coal industry found itself for the first time in serious competition with cheaper forms of energy. With the resulting decline in sales, inventories stockpiled,² work-shifts were shortened and finally mine shafts and other related coal activities such as coking plants and pressed coal factories were closed down. Over the next twelve years, the total number of active

¹A man seeking employment for this reason was dubbed "Cigarette Miner" (Zigaretten Bergmann).

²"In the Federal Republic of Germany, pithead stocks grew from 0.6 million tons at the end of June 1957 to 8.6 million at the end of 1958 (8.7 million at the end of January 1959)." Weekly Statistics of the European Coal and Steel Community, as cited in Coal Mines Committee, General Report: Recent Events and Developments in the Coal Mining Industry, Seventh Session, Geneva 1959 (Geneva: International Labour Office, 1959), p. 26.



mines and other related operations declined by better than half of their original figure. In the Ruhrgebiet alone, West Germany's largest coal producing district, the number of active mines dropped from 142 in 1957 to 79 in October of 1966.³ In addition to the closing down of mines, the increased use of improved mining techniques (which doubled a miner's output between 1957 and 1966), took its toll on the industry's labor requirements. By 1972, the number of workers employed in coal mining had fallen by almost 60 percent.⁴

Until 1966, the closures caused no particular employment problems. The job market, during West Germany's "Economic Miracle," was able to absorb the majority of those workers affected. In addition, there were still enough mines in operation to which the skilled worker could be transferred. Although no exact figures are available, it is estimated that of those affected between 1957 and 1966:

50% were transferred to other shafts;

20% took other jobs after a short period of instruction;

5% were retrained in new professions;

5% whereabouts are unknown;

and the remaining 20% were retired with pensions.⁵

Thus until 1966, the skilled miner felt secure in his employment.

In 1966, however, West Germany entered a recession that was

³See Appendix C: Number of Active Shafts, Coking Plants and Pressed Coal Factories in the Federal Republic of Germany.

⁴See Appendix D: Total Employment in Major Mining Districts in the Federal Republic of Germany.

⁵Bernard Brinkert, Praktische Erfahrung bei der Umschulung Erwachsener infolge wirtschaftlichen Strukturwandels (Practical Experience with the Retraining of Adults as a Consequence of Structural Changes in the Economy) (Wiesbaden: Betriebswirtschaftlicher Verlag Dr. Th. Gabler, n.d.), p. 186.



to continue until the fall of 1968. The national unemployment rate jumped from 0.7 percent in 1966 to 2.2 percent in 1967. In the coal industry, the recession aggravated an already difficult situation. In the Ruhrgebiet, for example, the unemployment rate fluctuated between 3.0 and 5.8 percent.⁶

As coal sales continued to drop, it was anticipated that further lay-offs would be required throughout the industry. At that time it was thought that up to 60 thousand additional workers would be affected. In view of the potential "political vibration"⁷ (politische Erschütterung) this could create,⁸ alternative policies were sought by the government, trade union and employers that would reduce the work force while creating the least economic hardship for the people affected. One of these alternatives was to guarantee the skilled miner other professionally equivalent employment by retraining him in a new skilled profession.⁹

⁶Gesamtverband des deutschen Steinkohlenbergbaus and Industriegewerkschaft Bergbau und Energie, Länderbericht über die berufliche Umschulung der im Steinkohlenbergbau freiwerdenden Arbeitskräfte in der Bundesrepublik Deutschland (State Report on the professional Retraining of dislocated Labor in the Coal Industry in the Federal Republic of Germany) (Essen: unpublished report, 1971), p. 5.

⁷Gerhard Höhn, Executive Department for Personnel Matters, interview held at Saarbergwerke AG, Saarbrücken, 17 July 1975.

⁸In actuality there was little more in the way of "political vibration" than marching in the streets as in the town of Gelsenkirchen. Here, as in many places in the Ruhrgebiet, mining was the town's sole industry. When the mine closed, it was an economic catastrophe not only for the miners, but for the remaining townspeople as well. And so the shopspeople joined the miners in the streets marching to protest the closing. Ibid.

⁹In addition to the retraining programs, a number of laws were passed to facilitate the reduction of the work force. For instance, legislation was passed providing for early retirement, thereby permitting many of the younger workers to remain and fill the vacancies left by those retiring. For a complete summary of legislation pertaining to the coal industry, see Appendix E.



Dissemination and Promotion of the Retraining Programs

Coal mining in West Germany is a traditional family occupation, often going back for generations.

The miner's trade was carried on from father to son. The son accompanied his father¹⁰ to the pit as soon as he was old enough to be taken on.

Understandably, a tradition such as this is difficult to break with. In addition, because of the danger and level of skill and responsibility required for the job, mining has a certain elevated social and professional status within the working community. The attitudes this generated on the part of the miner towards his profession were of very real concern to those agencies promoting the retraining programs in the northern mining regions.

The traditional relationship of the miners to their profession had to be prevailed over, if the necessary retraining programs were to have any chance for success.¹¹

The purpose of retraining the miner was to give him a viable alternative to his original profession. Even though confronted with no future employment possibilities in mining, he had first to be convinced that there were other vocations equivalent both in status and professional standing. Without the conviction that there was something to be gained from learning a new profession, he would not participate in the program. Therefore, the first task of the program's principal planners and coordinators, the Labor Admin-

¹⁰Coal mines Committee, General Report: Recent Events and Developments in the Coal Mining Industry, Eighth Session, Geneva, 1964 (Geneva: International Labour Office, 1964), p. 38.

¹¹"Die traditionell gewachsene Verbundenheit der Bergarbeiter mit ihrem Beruf musste jedoch überwunden werden, wenn die notwendigen Umschulungsmassnahmen Aussicht auf Erfolg haben sollten." Länderbericht, p. 9.



istration¹² (Arbeitsverwaltung), the Mining and Energy Union (IGBE) and the individual companies, was to overcome the miners' natural reluctance and professional prejudices. To this end, television and press publications were used to encourage the miner to take advantage of the training programs being offered. The Labor Administration was supported in this effort by the IGBE who assigned responsibility for assisting the trainees to one of their departments, "Professional Training Matters" (Berufliches Bildungswesen).

Apparently their joint efforts were not sufficient to attract a significant number of program participants. IGBE and the United Association of Coal Mining together estimate a 5 percent participation rate for those affected by the cutbacks. However, this figure is not based on the number of miners eligible to participate in the program. One had to be less than 40 years of age to apply. In 1960 in the Federal Republic, the average age of the work force in mining was between 36 and 37 years of age. Given that the industry was hiring no new workers, it can be assumed that by the time the retraining programs were initiated some eight years later, the average age in mining was greater than the eligibility restriction. In addition, of the 107,400 underground workers who left the mines between 1 July 1957 and 1 July 1963, 81 percent were less than 30 years of age.¹³ This would suggest that a considerable proportion of workers remaining in mining were not of an eligible age for participation in the programs. Consequently, it can be assumed that the true

¹²The Arbeitsverwaltung is a sub-division of the Bundesanstalt für Arbeit (Federal Employment Institute) and, inter alia, is responsible for the State Labor Exchanges (Ländesämter) and Local Labor Exchanges (Arbeitsämter).

¹³Coal Mines Committee, General Report., Eighth Session, Geneva, pp. 43-44.



rate of participation, based on the number of eligible miners, was in fact greater than 5 percent.

Within the firms affected, the work of explaining the programs and of advising the miners on registration was carried out by the personnel departments and the Works Councils at the individual mines. (Works Councils are committees composed of and elected by workers on an individual plant basis. Their functions include personnel matters and representation of the work force vis-à-vis management.)

Those workers choosing to participate were subsequently tested by the Labor Administration for aptitude and preference. According to the results of the testing, the program applicant was then introduced to the program most in keeping with his individual characteristics and preferences.

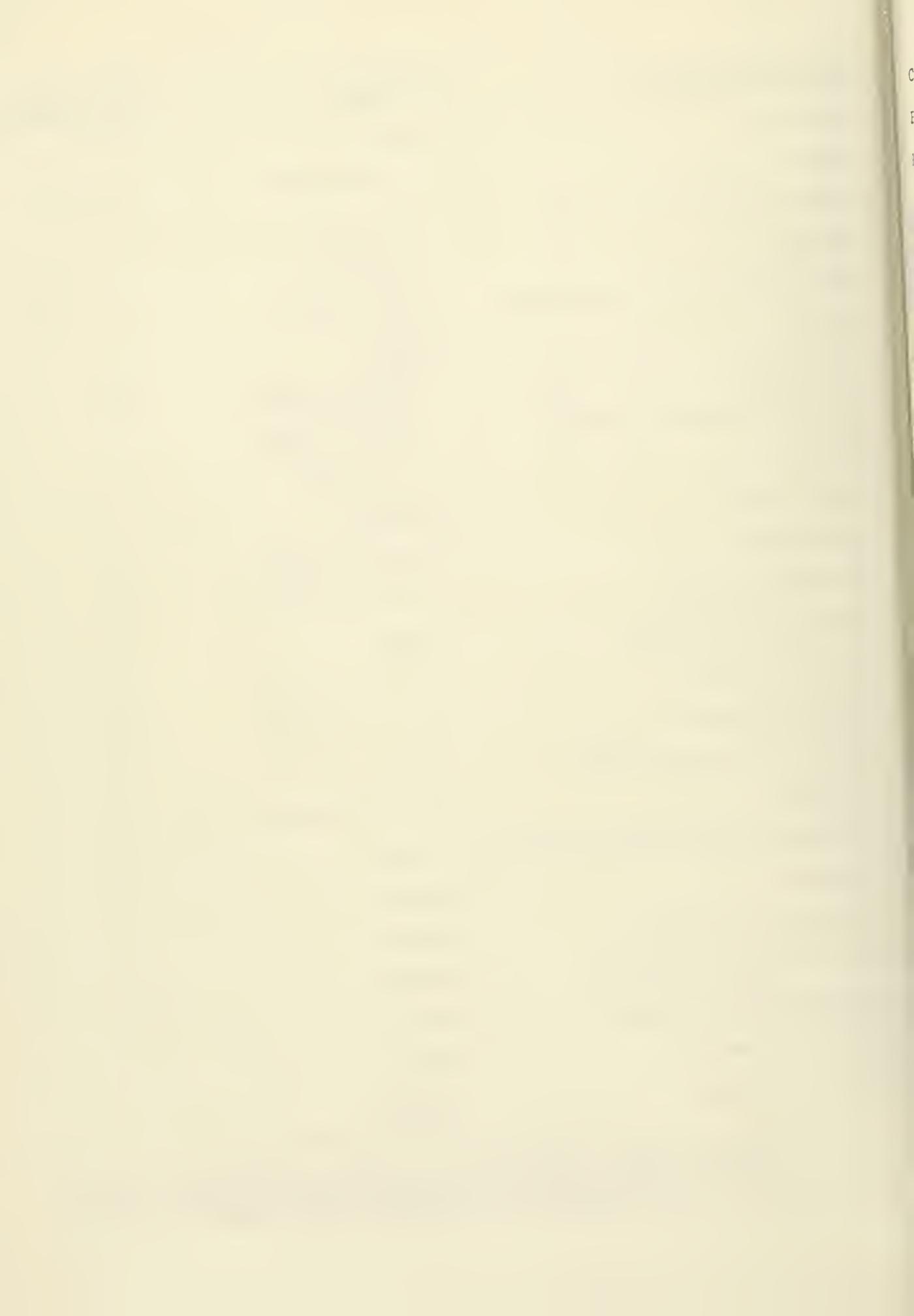
Type and Duration of Training Programs

A variety of professional courses were made available by the various participating agencies. The following pages list a sampling of the professional programs of instruction open to the eligible miner, their duration and enrollment. These figures were recorded on 1 March 1969 by the Local Labor Exchange (Arbeitsamt) for the state of Nordrhein-Westfalen, and are representative of the number of participants enrolled at the time the count was taken.



<u>Training Program</u> ¹⁴	<u>Duration of Program</u>	<u>Number of Participants</u>
Gardner	2 years	10
Mason	5 to 18 months	71
Street construction worker	1 1/2 years	4
Painter	1 1/2 years	11
Metal worker (basic training)	4 to 6 months	4
Caster	2 years	3
Lathe hand	1 1/2 to 2 years	104
Universal milling operator	1 1/2 to 2 years	24
Planer	1 to 2 years	9
Metal worker	6 months	8
Tool maker	1 1/2 to 2 years	10
Building mechanic	1 1/2 to 2 years	20
Sheet metal mechanic	2 years	11
Machine mechanic	1 1/2 to 2 years	36
Factory mechanic	1 1/2 to 2 years	165
Steel construction worker	2 years	9
Insulator	1 1/2 to 2 years	41
Sanitation and heating installor	2 years	25
Mechanic	2 years	1
Precision tool maker	2 years	11
High voltage electrician	2 years	158
Communications mechanic	2 years	23
Electrical mechanic	2 years	10
Plastics mechanic	2 years	12

¹⁴Länderbericht, translated, pp. 13-14. It was not possible to determine from the available information if the courses offered were designed to fill previously identified labor market shortages.



Carpenter	2 years	25
Building technician	1 1/2 years	7
Nurse	3 years	67

For middle management, for example mine inspectors, courses were conducted in preparation for technical positions in the following organizations and agencies:

Landscape Association (<u>Landschaftsverband</u>)	2 years	26
Finance Administration (<u>Finanzverwaltung</u>)	} 2 years	144
State Ministry of Economics (<u>Landeswirtschaftsministerium</u>)		
Factory Inspection Office (<u>Gewerbeaufsichtsamt</u>)		

Other professional training available to white-collar workers:

Construction engineer	3 years	103
Chemical technician	2 1/2 years	20
Control engineering mechanic	2 years	5
Chemical laboratory assistant	2 years	16
Social worker	3 years	19
Elementary school teacher	3 years	36
Industrial salesman or merchant	2 years	1
Service industry salesman or merchant	1 1/2 to 2 years	28



Program Coordination

The Federal Institute for Employment and Unemployment Insurance¹⁵ (Bundesanstalt für Arbeitsvermittlung und Arbeitslosenversicherung) was given the responsibility for coordinating and directing the retraining programs. Totally unprepared to handle a program of such size and nature, the Institute delegated the retraining of the miners to individual firms and to the German Trade Union Federation's Institute for the Promotion of Professional Advancement (DGB-Berufsbildungswerk). While this resulted in a variety of programs, they all had a common goal--to give the program participants the necessary technical knowledge needed to qualify for a new professional classification before the Chambers of Industry and Commerce (Industrie- und Handelskammer).

Financing

The funds for the retraining programs were provided to the participating firms in accordance with the directives issued under Article §56, Sub-Sections (1) and (2), of the 1959 Paris Treaty on the Establishment of the European Coal and Steel Community (ECSC). These clauses provide for financial aid from ECSC to member governments for the express purpose of assisting miners affected by employment fluctuations.¹⁶ Governments receiving financial assistance from ECSC are required to cover at least half the total costs of the program.

¹⁵The Federal Institute for Employment and Unemployment Insurance is the predecessor of the Bundesanstalt für Arbeit (Federal Institute for Labor).

¹⁶See Appendix E: Summary of Legislation Pertaining to the Coal Industry in the Federal Republic of Germany.



For the duration of his retraining period, the miner was eligible to receive government support equivalent to 90 percent of his last net take-home pay. The additional costs associated with his training, such as workclothes and transportation, were also provided for.

In keeping with the 1969 Work Promotion Act (Arbeitsförderungsgesetz), companies sponsoring retraining programs were entitled to receive financial assistance from the Federal Government for space and utilities used in connection with the training. Companies not falling under the ECSC Treaty could apply to the Federal Institute for Employment and Unemployment Insurance for additional financial assistance.

Re-employment of the Trainees

The Federal Institute for Employment and Unemployment Insurance found jobs to offer to the program graduates following completion of their training programs. The speed and facility with which these jobs were found depended in large part upon the current condition of the labor market.¹⁷

During the 1966-1968 recession, the scarcity of appropriate job openings forced many miners completing their retraining in this period to take work where it was offered. Sometimes this meant relocating family and home. To a United States reader accustomed to a highly mobile society, this would hardly appear problematic. In

¹⁷The success of any program such as this, depends to a great extent upon the current condition of the economy--upon the availability of funding for the support of such programs, and upon the ability of the labor market to absorb the program graduates.



Germany, however, it is not uncommon for families to have resided in the same town for more than one generation.¹⁸ Those whose training period lasted from 18 to 24 months, completed their programs at about the same time the recession ended in the fall of 1968. The resulting increase in job openings, signaling the end of the recession, greatly simplified the task of finding appropriate, more local employment.

Upon completion of the programs, the regional Labor Exchanges found that not only had all participants successfully located new employment, but their previous experience as miners and reputation as responsible workers had greatly increased their desirability to their new employers.

It has frequently been pointed out that the coalminers of today have qualities which are in demand in other industrial jobs: accumulated experience in utilisation of various mechanical and electrical equipment, safety consciousness, adaptability to a changing work environment, initiative and good judgement - all these qualities are appreciated in industry generally, especially when they are associated with the capability of acquiring new skills rapidly.¹⁹

¹⁸One of the alternative policies currently being explored is designed to avoid just this problem. It is the "redevelopment of the regions of pit closure with a view to creating new employment opportunities within reach of the workers' homes." Coal Mines Committee, Problems of employment security and social and working conditions for persons employed in the coal mining industry in periods of recession in that industry, Ninth Session, Geneva, 1970 (Geneva: International Labour Office, 1970), p. 19.

¹⁹Ibid., p. 27.



III. SAARBERGWERKE AG

Background

In Saarland, one of the major coal producing regions in the Federal Republic, the Saarbergwerke AG is the region's only company mining coal. Headquartered in Saarbrücken, it currently mines an annual yield of 9.2 million metric tons from six locations.¹ Today its labor force stands at 22 thousand. Approximately 50 percent of these are miners working underground. Of these 11 thousand underground miners, 20 percent are electricians and skilled machinists.

In 1955, however, there were eighteen mines in operation. Production, at 17.2 million, was almost twice what it is today. From 1957 to 1975, the decline in the coal market and the introduction of improved mining technology resulted in a reduction of the labor force of 43 thousand. And yet, in the opinion of the Works Council president of one of their larger mines, no one at Saarbergwerke is afraid of being laid off.

In other firms the people are afraid that somehow or at some time or other they will be laid off. But not here.²

How is it that Saarbergwerke was able to reduce its work force by such an enormous number and still be able "to overcome the employment crisis without social unrest"?³ Basically, it was through

¹ See Appendix F: Saarbergwerke AG.

² "In anderen Betrieben, haben die Leute Angst sie werden irgendwie oder irgendwann entlassen werden. Aber bei uns hier nicht." Werner Jochum, Works Council president, interview held at Bergwerke Reden, Saarbergwerke AG, Saarbrücken, 17 July 1975.

³ ". . . die Beschäftigungskrise ohne soziale Unruhen zu

the application of policies resulting from a willingness on the part of both labor and management to jointly⁴ find solutions to a very difficult problem--that of reducing the work force without creating undue hardships for its workers.

In 1957, when the market for coal began its decline, production at Saarbergwerke was at 16 million metric tons. When it first became apparent⁵ that the current market conditions required employment cutbacks, it was decided not to lay off any workers, but simply to rely on turnover. Therefore no new workers were hired, except skilled specialists as they were needed, and those who wished to leave were encouraged to do so. For the moment this policy sufficed.

In 1959, Saarland was returned to the Federal Republic by France. German firms thus became free to move in and establish subsidiaries. The resulting influx of new industry helped Saarbrücken and the surrounding towns avoid the one-industry-town disasters of the northern mining areas. Many workers, particularly the younger ones, took advantage of the availability of new job openings and left Saarbergwerke's mines.

During these initial years, the need to reduce the work force

überwinden." Höhn, letter, Saarbrücken, 2 August 1975.

⁴Saarbergwerke, as a firm in the coal industry, is subject to the Act on Codetermination in Mining, Iron and Steel Industry (Mitbestimmungsgesetz für Kohle und Stahl) of 1951. This law, first set up under the Allied Control in the Ruhrgebiet, calls for equal representation by stockholders and labor on the Supervisory Board (Aufsichtsrat), a representative body comparable to the U.S. Board of Directors.

⁵Inventory pithead stocks grew from 0.1 million tons in Saarland in June 1957, to 0.9 million tons in December 1958. Weekly Statistics of the ECSC, as cited in Coal Mines Committee, General Report, Seventh Session, 1959, p. 26.



was not as critical as it was to become. As it happened, the timing of the cutback in production coincided with reductions in the work force through voluntary departures by many of the younger workers into the newly introduced industry. Over the following years, however, the decline in coal sales and increasing rationalization combined to further reduce the firm's labor requirements.⁶ As the situation became increasingly critical, shafts were consolidated and unprofitable mines were closed. There was now a need to find other remedies to the employment situation.

Solutions were sought that would enable the firm to reduce its work force without adversely affecting the workers. Through the passage of new legislation and its own internal policies, Saarbergwerke was able to reduce its labor force "without any larger social shocks occurring."⁷ Among these remedies were such actions as the following: recently enacted legislation encouraged retirement of many of the older workers at an earlier age; with assistance from the Labor Exchange, Saarbergwerke was able to locate alternative employment for others; and finally, programs were arranged in the firm's own training center to retrain miners in new skilled professions.⁸

⁶From the mid-50's until the present, Saarbergwerke reduced its work force by around 40 thousand: 20 thousand resulting from market decline and the subsequent cutback in production; and 20 thousand from an increase in productivity which raised output per man per shift from 1727 kg in 1958 to 3945 kg in 1972.

⁷"... ohne dass dabei grössere sozial Erschütterungen auftraten." Saarbergwerke AG internal document, Programmierter Belegschaftsabbau - wirksame Sozialpläne (Programmed Reduction of the Work Force - effective Social Plans), P-PAP M/BA, 2 August 1973, p. 1.

⁸See Appendix G: Reductions in the Labor Force at Saarbergwerke AG.



The Retraining Programs

The idea of retraining miners was originally developed at Saarbergwerke as a means of satisfying its own changing labor requirements. With the introduction of rationalization, much of the manual labor had been taken over by electrically powered equipment. With the changeover in production methods, Saarbergwerke's skilled labor requirements also changed. Such was the case when, during the period 1962 to 1965, Saarbergwerke experienced a shortage of electricians. At that time, 274 miners were retrained to correct this deficiency at the company's own training center and expense. Of these, 243 completed the program and passed their qualifying examinations before the Chambers of Industry and Commerce.

The purpose of this program was not to insure the professional future of a group of potentially out-of-work miners, but was simply a program to correct a skills deficiency in the company's work force. It did, however, establish the feasibility of such a program and provided the model for future applications.

When, in 1968, Saarbergwerke was faced with the necessity of reducing the labor force by five thousand men, the retraining program was settled on as one of the alternatives to lay-offs. It was decided to offer the program to underground miners of less than 40 years of age.

The retraining programs conducted at Saarbergwerke from 1968 to 1974, required from two to three years and concluded with a professional classification examination before the Chambers of Industry and Commerce. For the duration of his training period, the trainee received a regular salary from Saarbergwerke and a

subsidy, "Maintenance Money" (Unterhaltungsgeld), from the Labor Exchange. Together they amounted to 95 percent of his previous income. In keeping with the directives issued under the Employment Promotion Act of 1969,⁹ Saarbergwerke also received support money from the Labor Exchange to cover the retraining costs. Upon completion of their programs, the trainees returned to their original mines. The personnel department reasoned that a miner would take advantage of the offer on the basis of:

. . . the certainty, "This job is for me more secure and, circumstances permitting, I'll have more comfortable work." Then they said, "Here I have a chance to widen my professional knowledge without in any way being inconvenienced during the training period. Why shouldn't I do it?"¹⁰

Subsequently, 166 miners were retrained as electricians during the period 1968 to 1971. And from 1972 to 1974, five men were retrained as electricians and nine as machinists. These figures represent a participation rate of 1.2 percent, based on the total labor force of 14,110 employed underground in 1971. Not all, however, were eligible to participate in the program because of the age requirement. But still, the participation rate was noticeably poor. Two reasons can be hypothesized as contributing to this rate. Firstly, that this is again reflective of the innate professional prejudice and subsequent reluctance to change professions as was encountered in the northern mining districts. Secondly, it is important to consider the atmosphere at Saarbergwerke, where, as expressed by the Works Council president, no one

⁹This law provides for the financing of retraining programs by the Federal Institute for Labor when in the interests of labor market liquidity.

¹⁰Höhn, translated, interview, 17 July 1975.



was afraid of losing his job. Undoubtedly this lack of concern contributed to the absence of any feeling of urgency on the part of the miners to safeguard their future employment possibilities.

Dissemination and Selection of the Program Participants

In keeping with its legislated function as go-between and communication channel between management and worker, the Works Council took responsibility for making the availability of the program known.

We did it as a rule very simply. We hung a sign on the door of the Works Council office so that the people interested in the program would know where to go. . . After that everyone talked about this new possibility and there was no need to make it public anymore.

The people came to the Works Council to ask if they could take part and to ask which program to enter, since not¹¹ all had an interest in being a mechanic or an electrician.

The initial selection of the candidate for retraining was done on the basis of recommendations by Saarbergwerke's personnel department and the man's reputation with the Works Council.

He must have a good reputation here in the firm. It wouldn't do for the worst to take part in the retraining program. . . If the Works₁₂ Council turns a man down, then he cannot enter the program.

The American reader may be struck by this statement and see it as an intrusion on management's traditional prerogatives. In the Federal Republic, however, it is legislated in the Works Constitution Act (Betriebsverfassungsgesetz) of 1952, as amended in 1972, that no decisions regarding personnel changes may be made

¹¹Werner Jochum, translated, interview, 17 July 1975.

¹²"Er muss einen guten Ruf hier im Betrieb haben. Es kann aber nicht so sein, dass die schlechtesten in Umschulungsmassnahmen teilnehmen. . . Wenn also der Betriebsrat einen Mann abgelehnt hat, kann er nicht hin." Ibid.

without the consent of the Works Council.

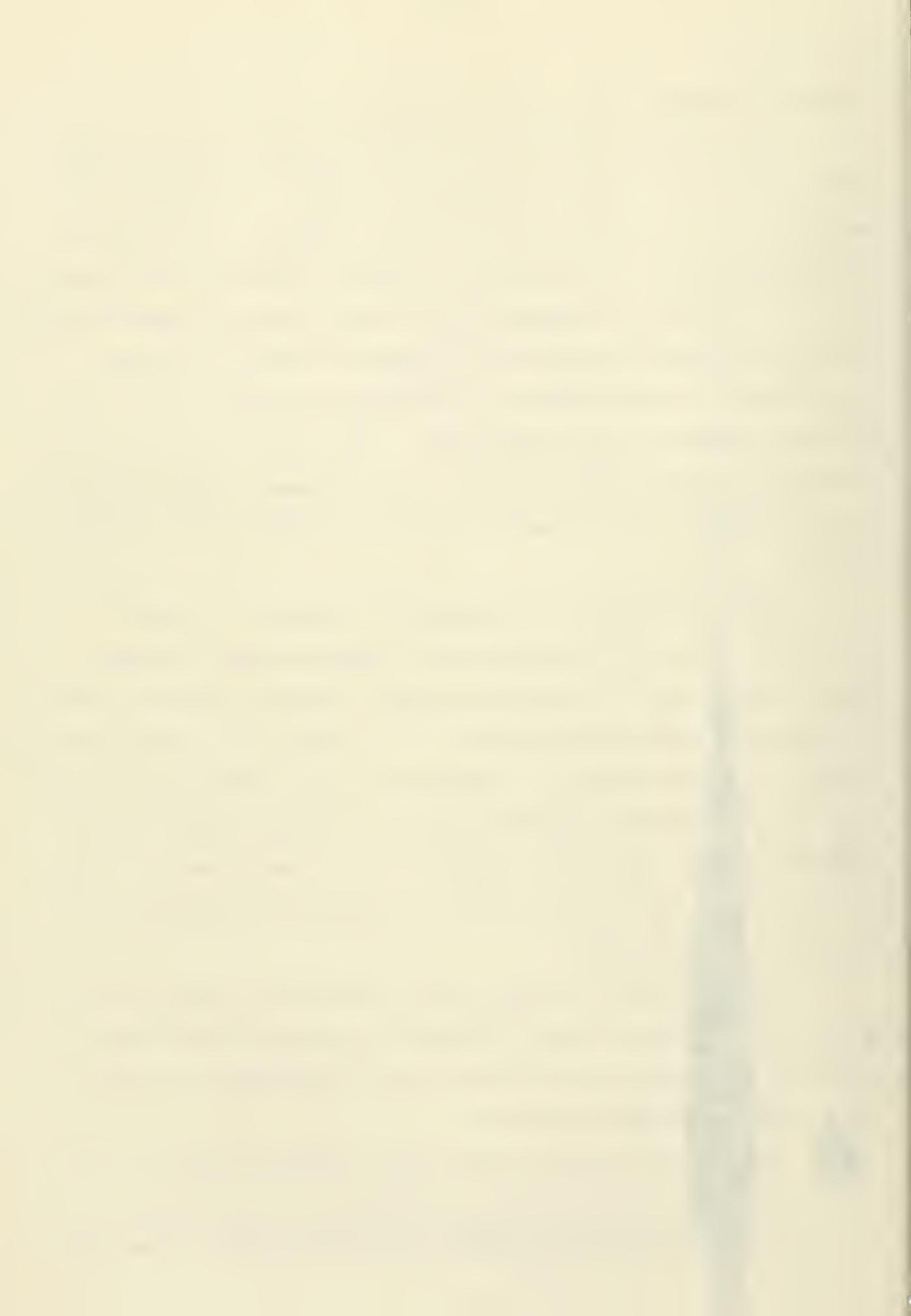
The Works Constitution Act gives the Works Council considerable rights with regard to personnel matters. It requires management to obtain approval from the Works Council "for the selection of employees for recruitment, transfer, regrading and dismissal."¹³ In addition, management must supply the Works Council with whatever information regarding the proposed action is required. In the case of a disagreement, both parties have resort to a Conciliation Committee (Einigungsstelle). The award of the Committee, composed of equal numbers of worker and management representatives, takes the place of an agreement between the employer and the Works Council.

Thus, for example, if management proposes to transfer one hundred workers, the Works Council cannot prevent the move. However, management is required to supply the Works Council with the necessary pertinent information and to obtain the Works Council's approval on the selection of the workers to be transferred. In the case of the retraining programs, though the Works Council could not prevent the program (nor would it in all likelihood have wanted to), legally it was entitled to veto or approve the selection of the proposed participants.

However alarming these rights of the Works Council may appear to the American reader, the general consensus among German employers as represented by their various associations, is that the system is basically workable.

After consideration by the firm, recommendations were made

¹³Betriebsverfassungsgesetz, 15 January 1972 (BGBI. I S.13).
Vierter Teil, Fünfter Abschnitt §95 Auswahlrichtlinien, translated.



by the personnel department as to which miners would be permitted to take part in the program. The personnel department then sat down with the Works Council and together they made their final selection. To assure the success of their investment, the Labor Exchange had reserved the right to test applicants for aptitude and preference. Following their initial selection, the retraining program candidates were tested by the Labor Exchange for this purpose.

The Program Participants

The program participants interviewed expressed two fundamental reasons for entering the program. These were the "uncertain future" of coal mining, and its physical hardships--"harder or physically harder than anything else."¹⁴

If his mine is closed, a miner has no alternative employment possibilities. With a second skill, however, he has the option of taking employment in a different industry.

With retraining one has a new profession. If the mine is closed, I have a better chance of finding¹⁵ work as an electrician or machinist, than as a miner.

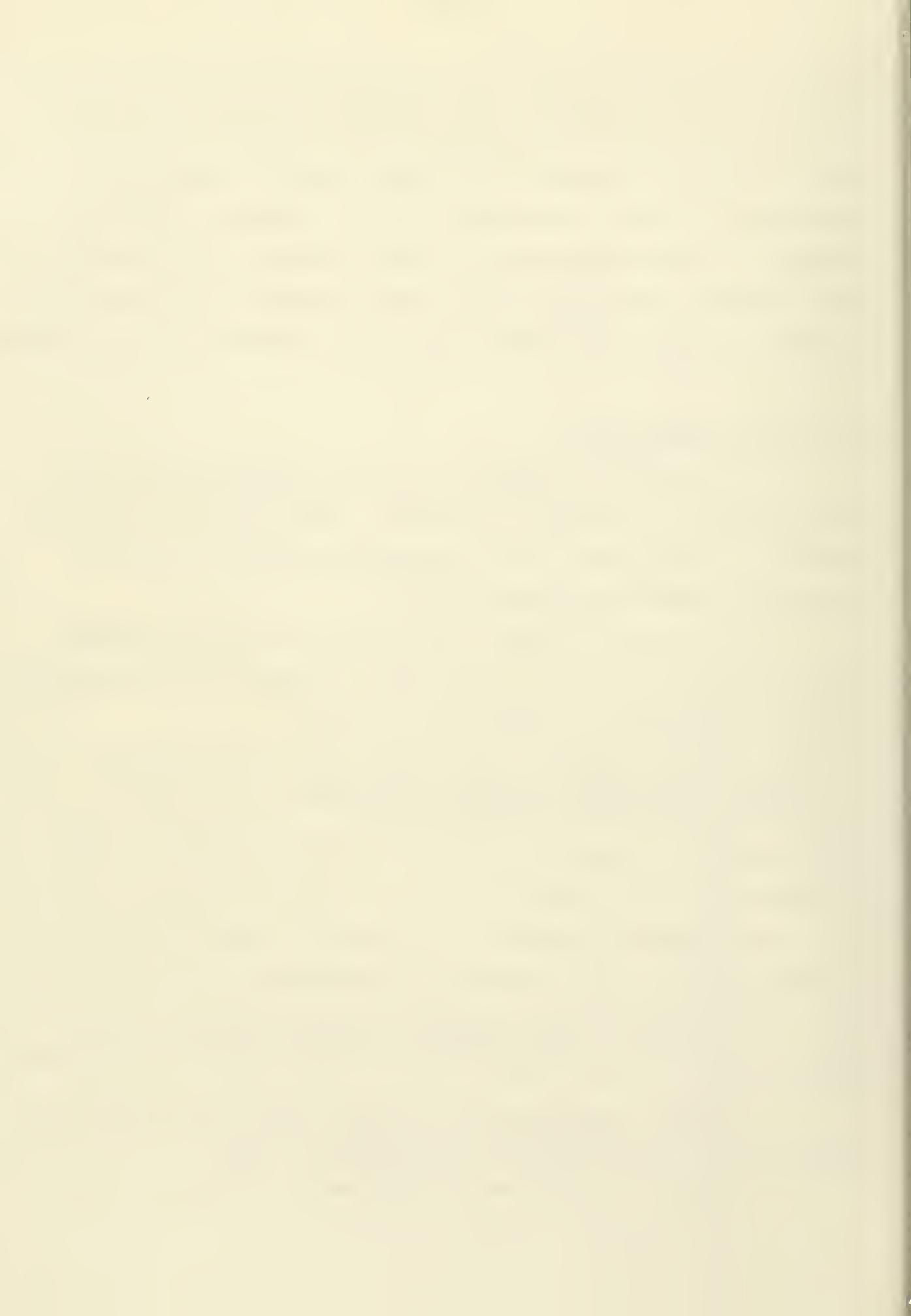
This consideration played a major part in their decision to apply for admission to the program.

As one miner expressed it, the second reason is that mining is "harder than the most difficult of professions."¹⁶

¹⁴"Ja schwerer oder körperlich schwerer vor allen Dinge." Retrainee interviewed at Grube Reden, Saarbergwerke AG, Saarbrücken, 17 July 1975.

¹⁵"Mit der Umschulung hat man einen neuen Beruf. Wenn die Grube geschlossen wird, habe ich mehr Chance Arbeit zu bekommen als Elektriker oder Schlosser, wie also Bergman." Ibid.

¹⁶"Schwerer als der schwierigste Beruf." Ibid.



The miner, unlike the craftsman, works his entire shift under stress and strain. . . specifically the surroundings are not as good, not as pleasant, because of the dust, because of the many machines.

In addition to the above considerations, each man had personal reasons for applying to the program. One miner had been transferred to Grube Reden from another of Saarbergwerke's mines. After three months in the new shaft, he had not fully adjusted, though the work was the same as at the previous mine. He entered the program in the hopes it would assist him during his adjustment period. After completing the training, he returned to Grube Reden and had no further difficulties. When asked why that had been the case, he said that the program had given him the opportunity to become acquainted with his future colleagues.

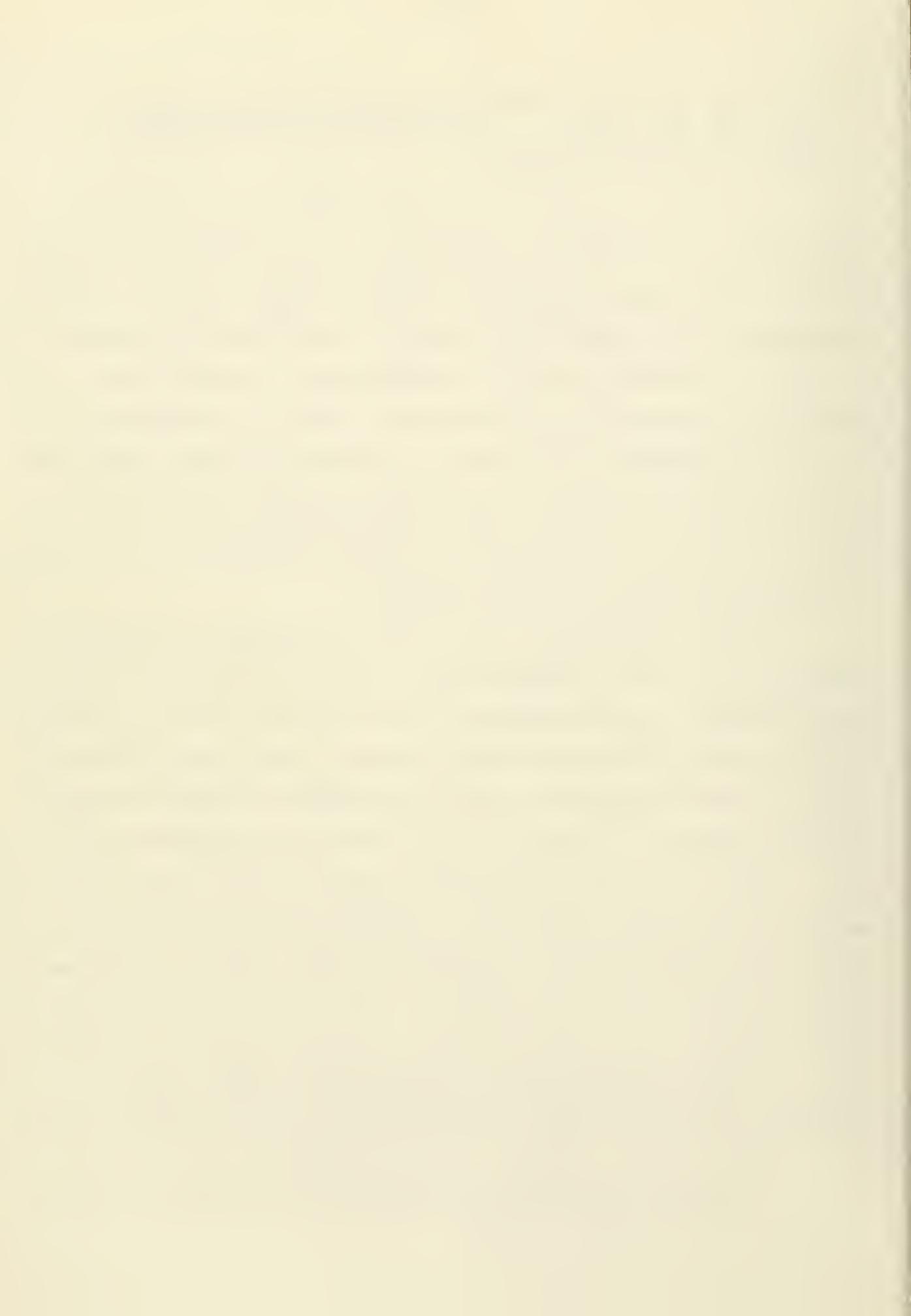
Another registered for the electrician program because as a hobby it had always interested him. During his testing by the Labor Exchange, it was discovered that he was color blind and therefore ineligible for the electrician program. When given the choice either to return to mining or enter the machinist program, he chose the latter because, "I wanted in any case to be a craftsman."¹⁸

When during the course of the interviews the question was asked if after twenty years at one profession the retraining itself were not difficult, the immediate response from one retrainee was, "We had fun during the program. It was a fine time."¹⁹ They

¹⁷ "Der Bergmann steht die ganz Schicht unter Stress und Anstrengungen was für einen Handwerker der Fall nicht ist. . . und zwar die Umgebung die ist gerade nicht so gut, so günstig wegen der Staub Entwicklung, wegen der vielen Maschinen." Ibid.

¹⁸ "Ich wollte auf jeden Fall ein Handwerker sein." Ibid.

¹⁹ "Wir haben während der Umschulung Spass gemacht. Es war eine schöne Zeit gewesen." Ibid.



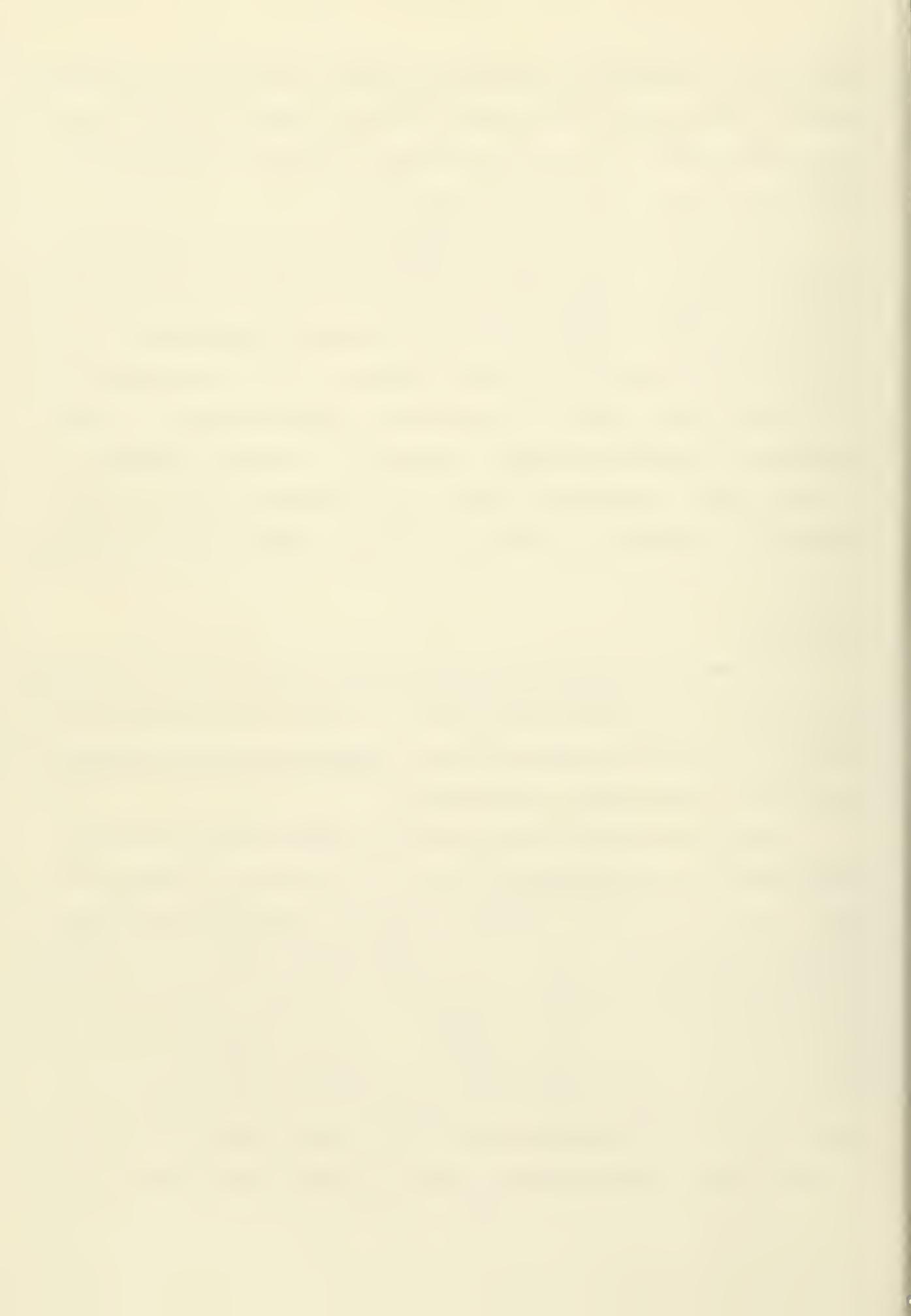
did, however, experience some difficulties in adjusting to performing new types of work, and, after fifteen to twenty years, to being students again. But this adjustment period lasted for the most part for from only three to four weeks.

In general the men were impressed with their retraining: with the program's organization; the training center; the technical level of their education; and the financial arrangements. They found both the scope of their education and the conditions to be far better than those of their earlier apprenticeships. When presented with the hypothetical opportunity of either returning to mining with a guaranteed future, or of remaining as they were, unanimously they chose to continue in their present new professions.

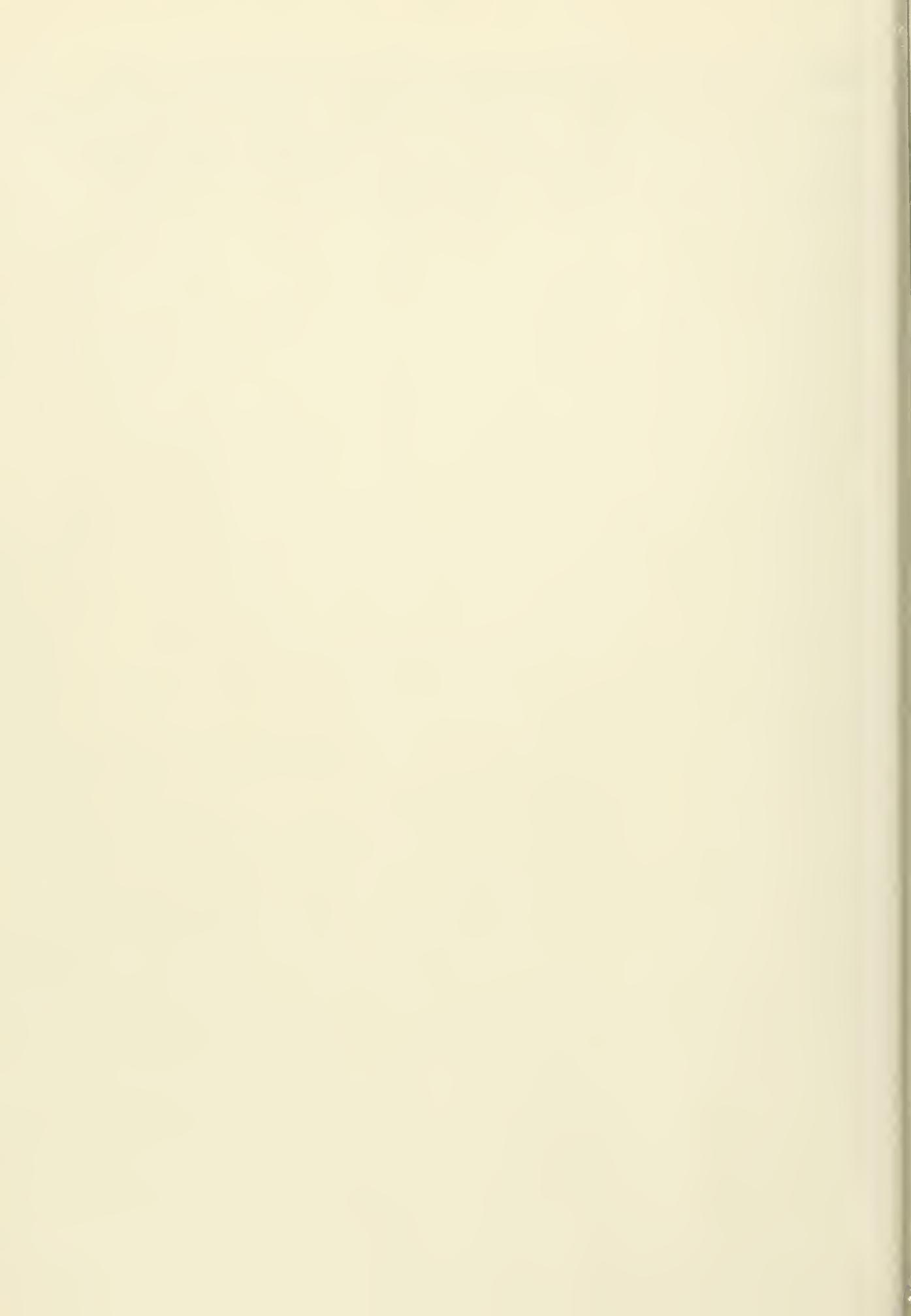
Conclusion

In order to understand properly the origin, and to evaluate the success of the retraining program, the fact that Saarbergwerke operates under parity codetermination (paritätische Mitbestimmung) must first be taken into consideration.

The legislation governing parity codetermination at the Supervisory Board (Aufsichtsrat) level, is the Act on Codetermination in the Mining, Iron and Steel Industry (Mitbestimmungsgesetz für Kohle und Stahl) of 1951. (The Supervisory Board in the German two-tiered system of company management is roughly comparable to a Board of Directors in a U.S. company.) This law applies only to companies in the coal, steel and iron industries, and calls for appointment to the Supervisory Board of an equal number of worker and shareholder representatives, plus a jointly agreed upon neutral



member. Thus, in a Supervisory Board of eleven members, five are elected by the Works Council after consultation with the trade union, five by the shareholders and the eleventh neutral member by the two groups of five. (See figure 1.)



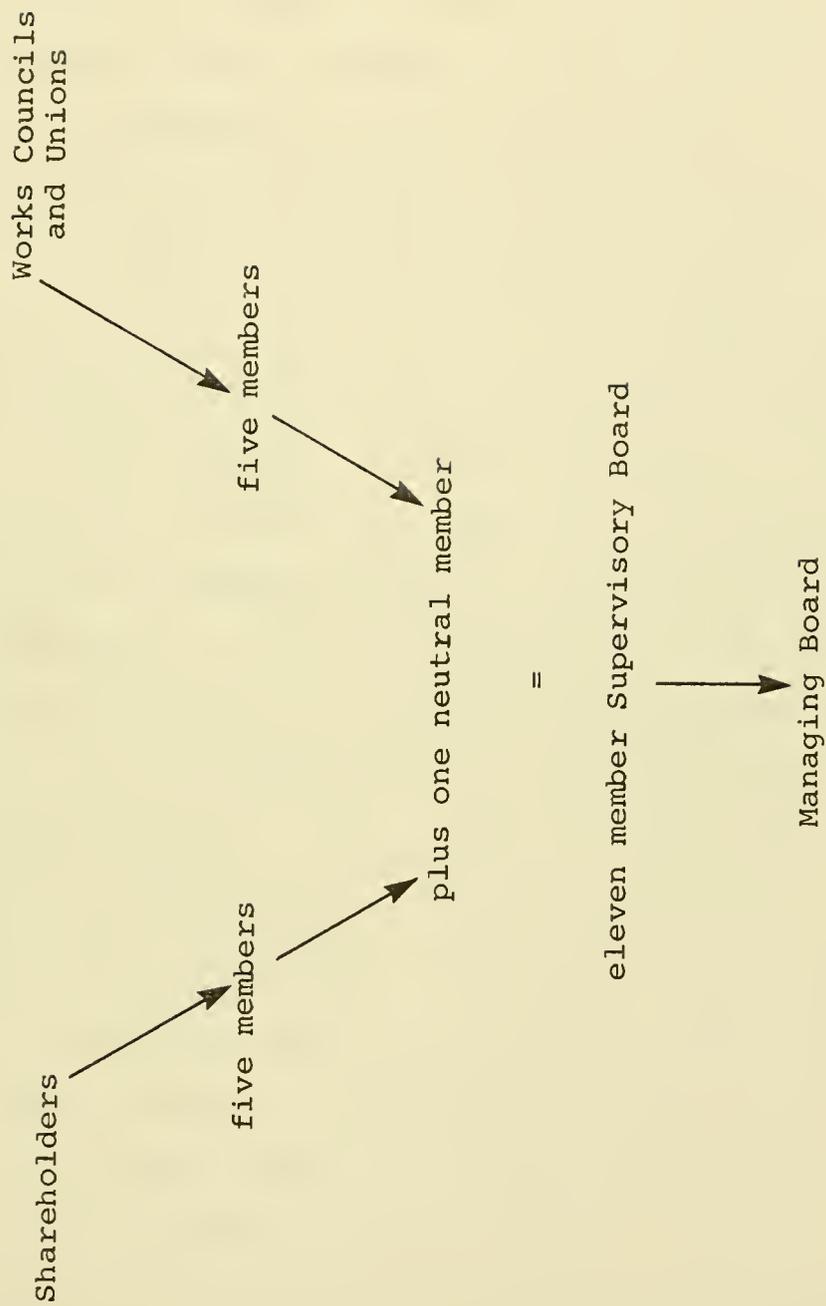
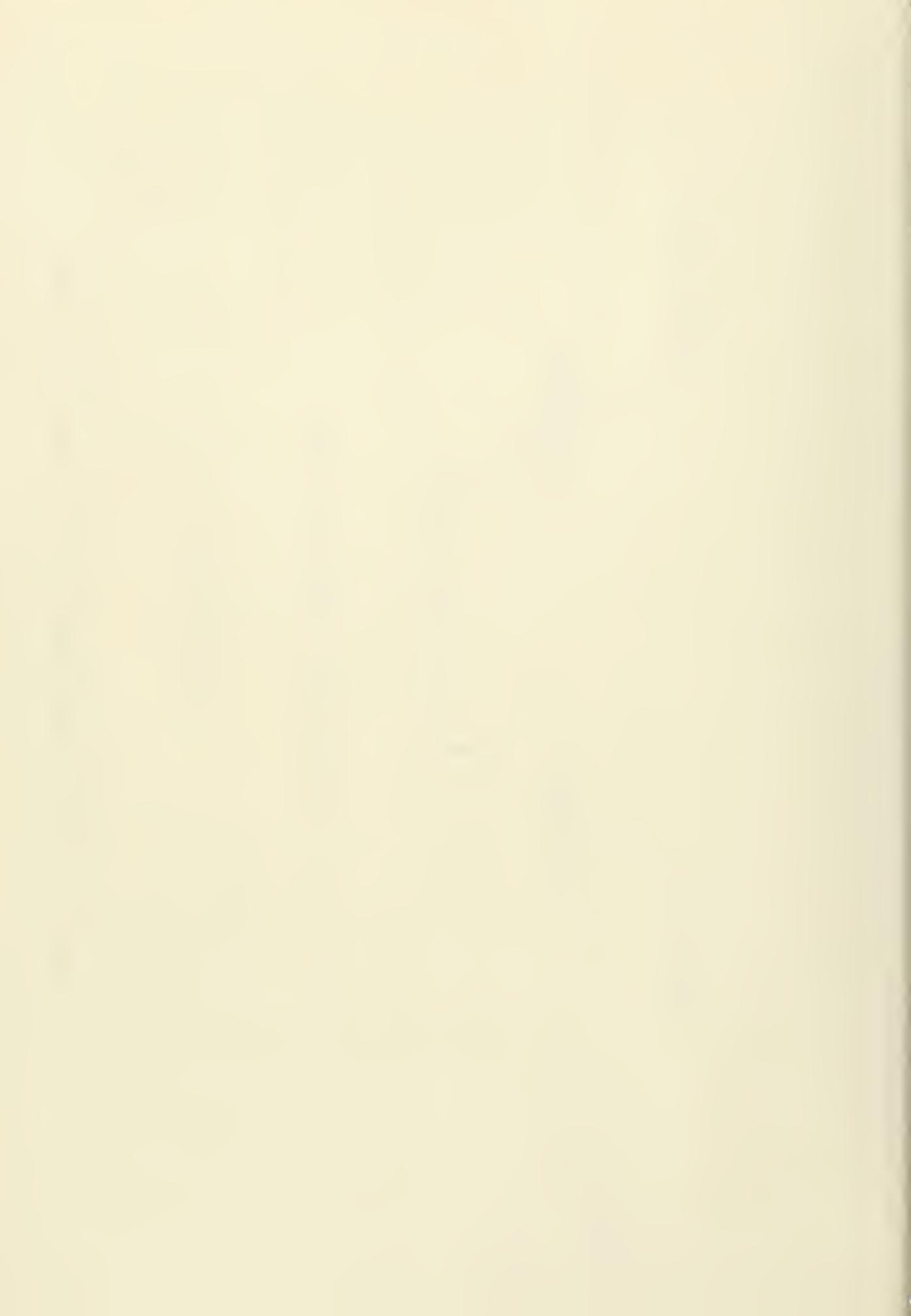


Figure 1. Parity Codetermination on the Supervisory Board.



The responsibilities of the Supervisory Board are to name the Managing Board (Vorstand), appoint its chairman and supervise its activities, and to review the company's annual financial statements and business reports. Members of the Supervisory Board cannot serve simultaneously on the Managing Board.

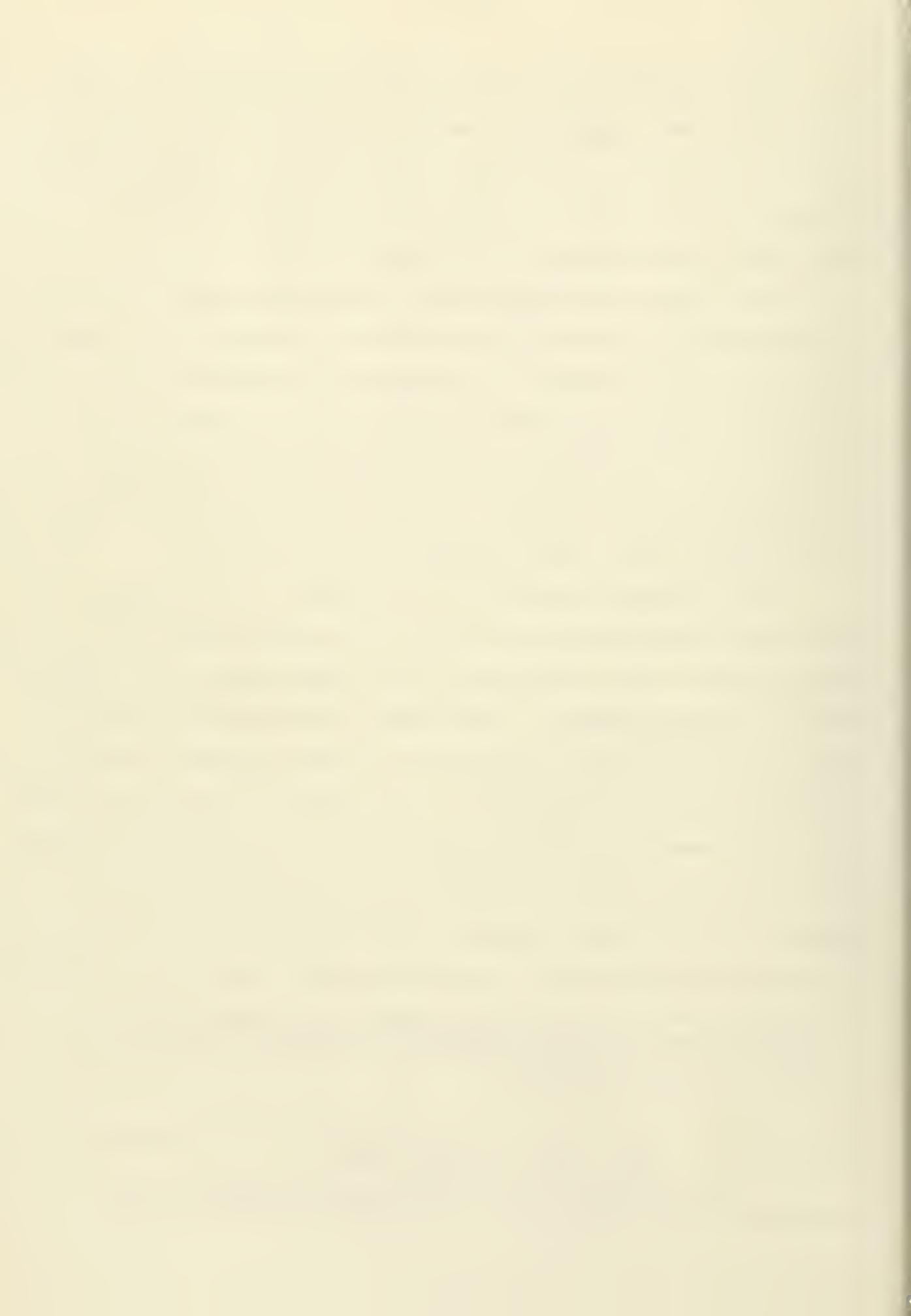
The Managing Board appointed by the Supervisory Board is the second level in the two-tiered system of management. Its functions include the following: to perform all transactions of the corporation; conduct its general business; and to represent the corporation to third parties. At least once every three months the Managing Board is required to report to the Supervisory Board on the business and economic position of the corporation.

The outstanding feature of this system is the decisive effect worker representation can have on the appointment of the Managing Board, and in particular, on the appointment of the Labor Director (Arbeitsdirektor). This member of the Managing Board is responsible for personnel matters which include employee benefits and frequently wages and salaries. His appointment cannot be finalized in the absence of a majority vote by the labor representatives on the Supervisory Board. In practice, his appointment is also discussed with the Works Councils, thereby ensuring the selection of a Managing Board member "who has the special trust of the workers."²

His assignment is this--to pay attention to those questions decided upon by the Managing Board (to ensure) that the interests of the work force will also be taken into consideration as much as possible.²¹

²⁰" . . . das vom besonderen Vertrauen der Arbeitnehmer getragen ist." Höhn, letter, 2 August 1975.

²¹"Seine Aufgabe ist es, bei den vom Vorstand zu entscheidenden Fragen darauf zu achten, dass auch auf die Belange



An additional positive factor in favor of the work force is that both shareholder and labor representatives together supervise the activities of the Managing Board. This considerably enhances the probability that "the interests of the work force will also be taken into consideration."²²

Any potential for success in a legislated system such as parity codetermination, necessarily requires an additional positive contribution from those working within the system if it is to succeed. Whether at the Supervisory Board or Works Council level, there is a need for an environment that will encourage the realization of this potential. At Saarbergwerke these additional elements were evident in the relations of the personnel department to the Works Council. "Between the Works Council on the one side and the personnel department on the other, there is a confidence and a trust in one another."²³ This relation was apparent between worker and Works Council as well. "The trust between the worker and the Works Council is very good here with us."²⁴

However, the primary factor in the origin and success of the retraining programs should be looked for in the firm's response to the employment crisis. That response centered around the decision by the Supervisory Board to look for reasonable policies that would reduce employment while causing the fewest hardships

der Belegschaft soweit als möglich Rücksicht genommen wird." Ibid.
²²" . . . die auch den Interessen der Belegschaft Rechnung trägt." Ibid.

²³Höhn, translated, interview, 17 July 1975.

²⁴"Das Vertrauen, der Arbeiter gegenüber dem Betriebsrat ist sehr gut bei uns." Trainee, interview, 17 July 1975.



for their labor force, and in so doing, to successfully secure the support and cooperation of management and of labor and its representatives for these policies. In the opinion of the Works Council president, "there would obviously have to be very close cooperation. . . otherwise it cannot succeed."²⁵

²⁵" . . . selbsverständlich wurde ganz eng zusammengearbeitet . . . sonst kann das nicht klappen." Jochum, interview, 17 July 1975.

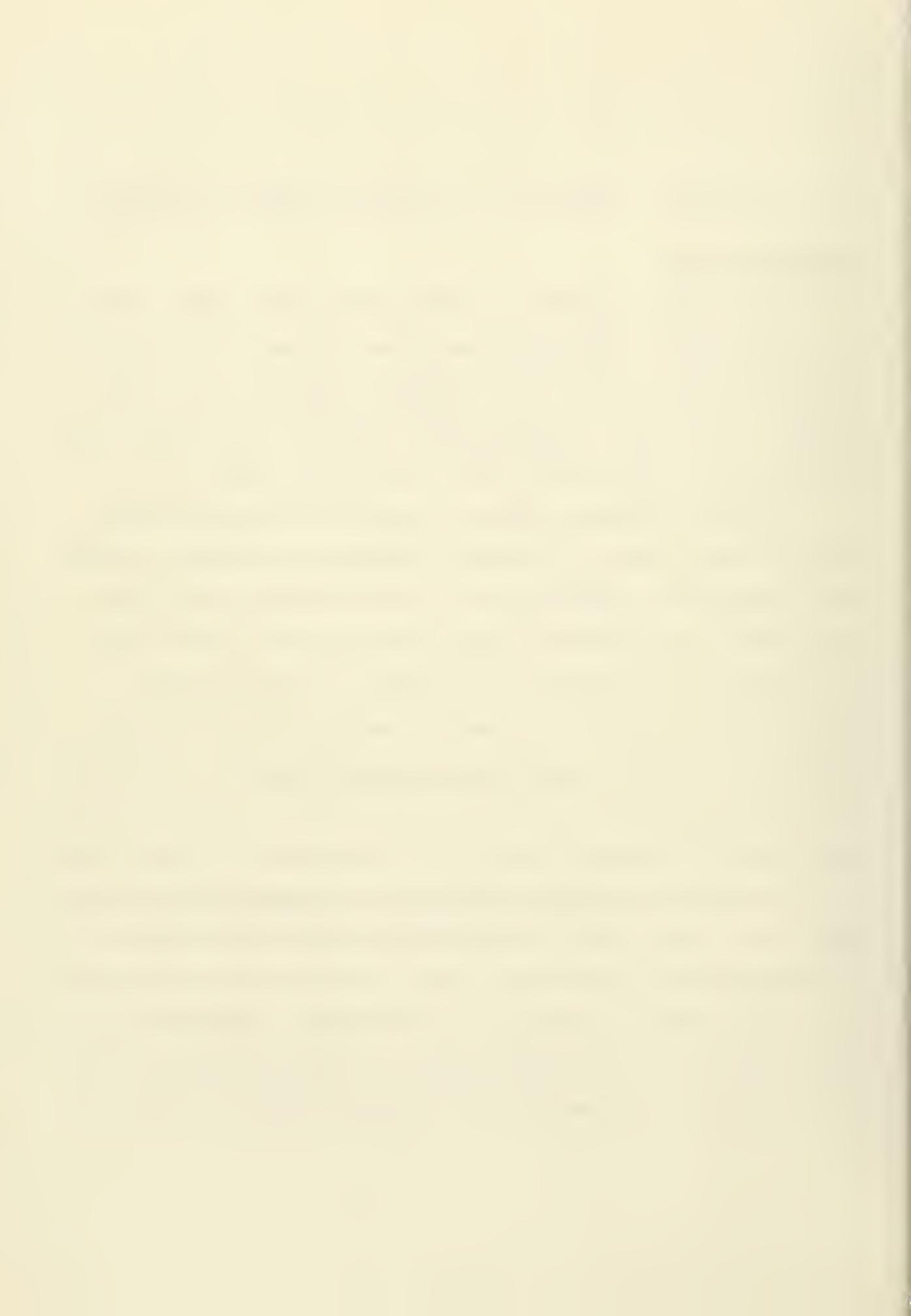
As to the effects parity codetermination has other than on labor-management relations, TIME magazine reported, "Contrary to fears of some managers, efficiency has not suffered in either industry (coal and steel), and company profit margins have generally remained attractive to investors." TIME, 21 April 1975, p. 9.

IV. INDUSTRIAL RELATIONS IN THE FEDERAL REPUBLIC OF GERMANY

Generalized Model

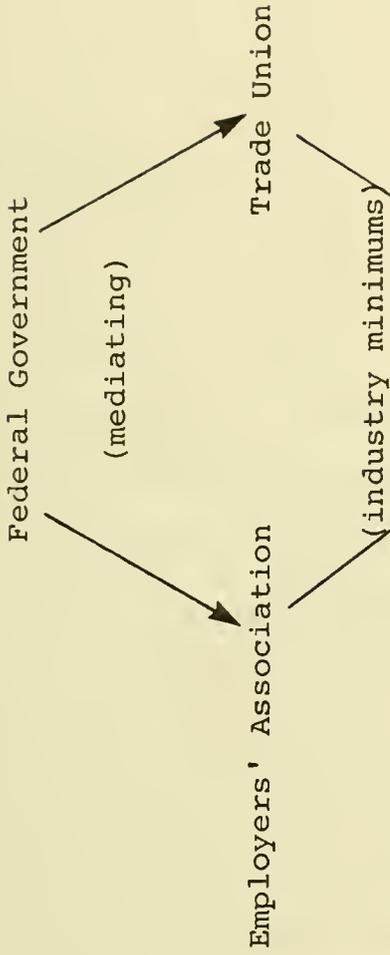
The following section of this paper will develop a model of the industrial relations system in West Germany as a context for the delivery system of the retraining programs in the coal industry. This model is specifically representative of the formally recognized institutions within the German system.

The West Germany system of industrial relations can be viewed on three levels: sectoral; enterprise (or company management); and plant. (See figure 2.) At the sectoral level, the trade unions are organized in such a way that one single union will represent each branch of the economy. These individual unions are then combined in a central organization, the German Trade Union Federation (Deutscher Gewerkschaftsbund). Employers are similarly organized by industry into employers' associations, their central organization being the Confederation of German Employers' Associations (Bundesvereinigung der Deutschen Arbeitgeberverbände). The trade unions and employers' associations bargain on an industry basis to set minimum wages and other terms and conditions of employment. Here too, the government, though having no authority to make any final decisions on disputes between unions and employers, can be seen as an occasional actor in a mediating role.

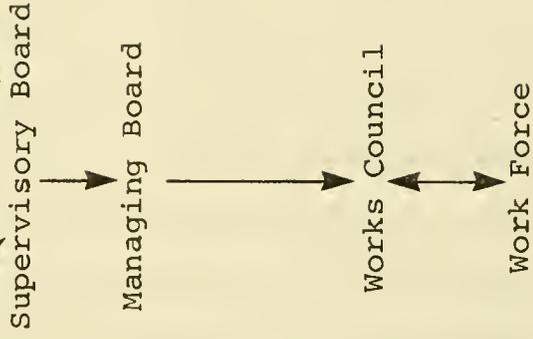


LEVELS

I. SECTORAL



II. ENTERPRISE



II. PLANT

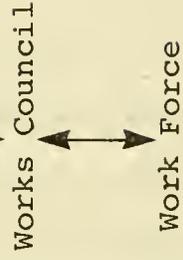
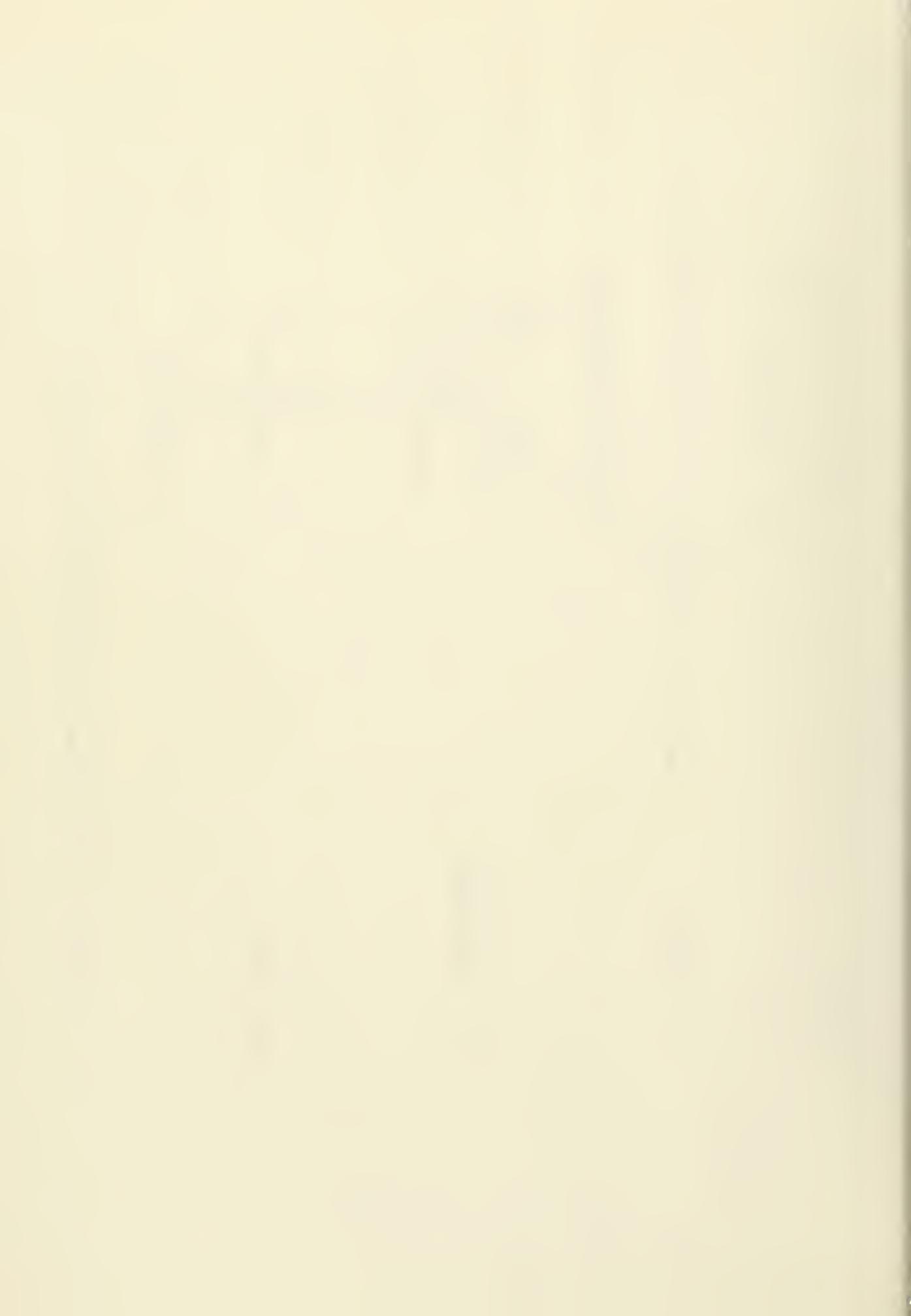


Figure 2. West German Industrial Relations System.



The enterprise level is of two types: management of companies in the coal, steel and iron industries; and management of companies in all other industries. This differentiation is based on the degree of worker representation or worker codetermination (Mitbestimmung) on the Supervisory Board. The two types of codetermination are the previously discussed parity codetermination in the coal, steel and iron industries, and one-third worker representation in others. Limited one-third worker representation is legislated for in companies in industries other than coal, steel and iron, satisfying certain requirements as to size and legal incorporation. The legislation governing this is the Works Constitution Act (Betriebsverfassungsgesetz) of 1952, amended in 1972.

At the third level of the model, the plant level, is the Works Council. This is the institution providing the greatest opportunity for direct participation by the labor force in decisions affecting the terms and conditions of their employment. Regulated by the Works Constitution Act, the Works Council has considerable powers over a wide range of items. Among them:

- (a) policing negotiated contracts (those agreements concluded at the sectoral level by the trade union and the employers' association);
- (b) the right to codetermine with management:
 - daily work hours;
 - establishment of holiday and vacation schedules;
 - vocational training;
 - administration of company's welfare institutions;



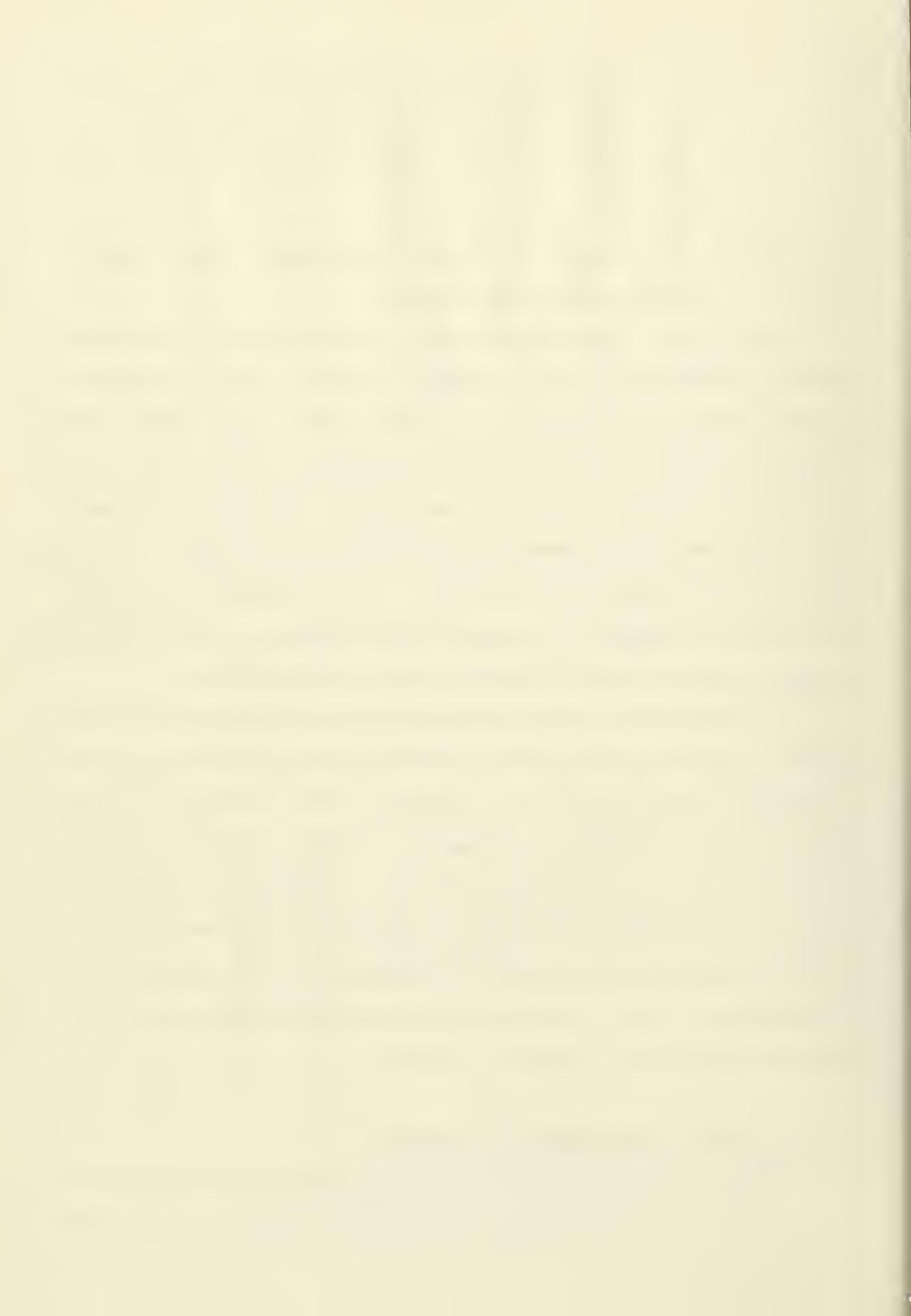
- determination of piecework rates;
- establishment of company regulations;
- (c) consultation rights regarding dismissals and transfers;
- (d) information rights concerning questions of large scale hiring and firing.

One of the striking features of this system, in addition to the structure itself, is the autonomy of each of its components in servicing that area for which it is best suited. The Works Council is concerned with immediate personnel problems and with representation of the work force vis-à-vis management. At the enterprise level, management (the Managing and Supervisory Boards), gives its attention to the running of the firm. At the sectoral level, the trade unions and employers' associations focus on industry minimums for wages and other terms and conditions of employment.

In addition to the diversification of function and responsibility, there is a very real recognition on the part of each of the system's components for the autonomy of the others, and a recognition of the effects an action on the part of one will create on the remainder of the system. No one trespasses or attempts to intervene on the domain of another, and each recognizes the others' importance as necessary requisite components for the success of the system as a whole. We now turn to the delivery system of the retraining programs in the coal industry.

The Retraining Program Delivery System

As with the industrial relations system, the delivery system for the retraining programs can also be viewed on three levels.



(See figure 3.) At the sectoral level, one finds two divisions, funders and organizers. As previously described, funds were awarded by the European Coal and Steel Community (ECSC) on a matching basis with the Federal Government. Further governmental assistance was also secured by the individual companies through both direct support and a closing down subsidy of DM 12.50 per metric ton of production capacity. This, however, was awarded with the provision that companies set up certain services and benefits to be made available to miners affected by the closures.



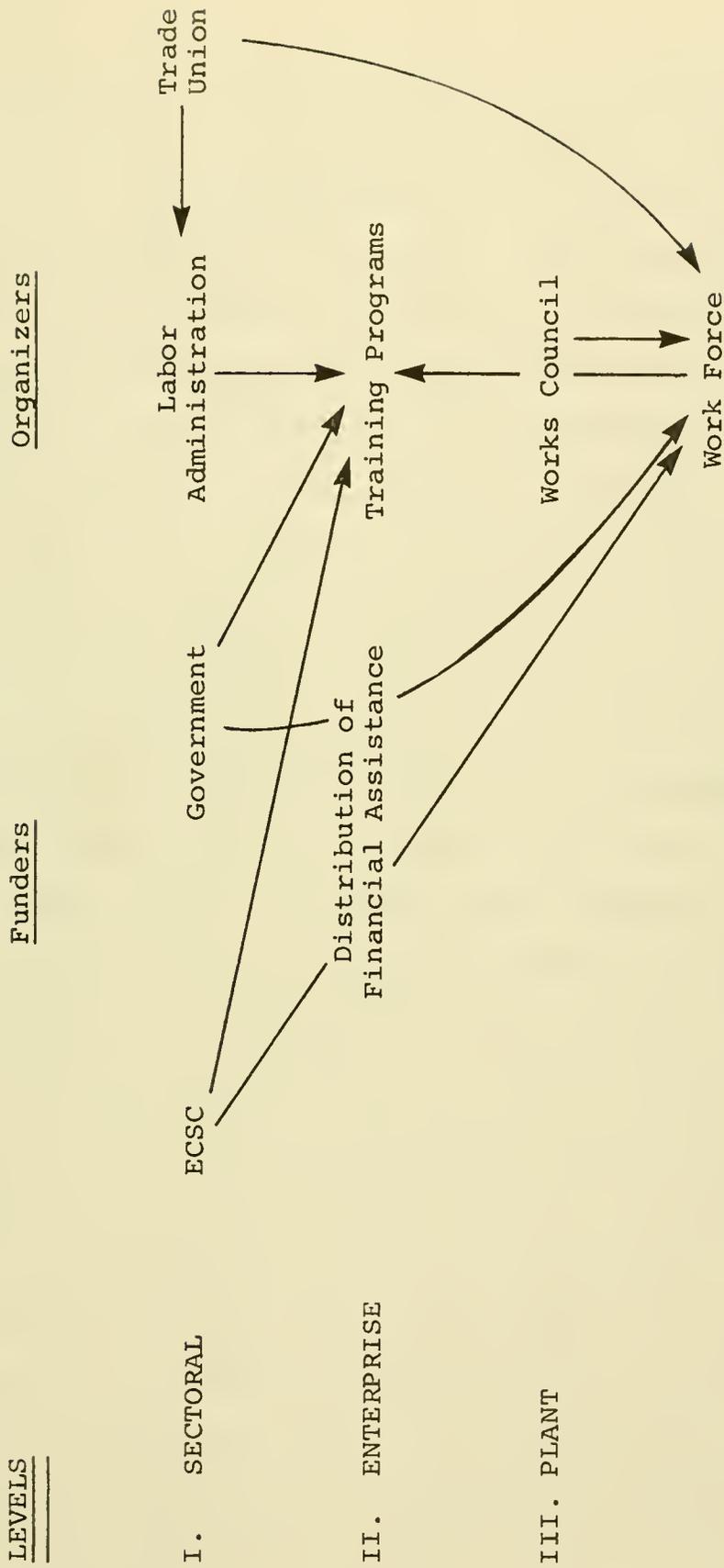


Figure 3. Retraining Program Delivery System.

The organizers and promoters of the program at the sectoral level were the Federal Government through the agency of the Labor Administration (Arbeitsverwaltung), and the Mining and Energy Union (IG Bergbau und Energie). The Labor Administration assisted the operations of the program in three ways: through its dissemination and coordination; federally granted financial assistance; and the location of new employment in other branches of the economy for program graduates. The trade union, working in cooperation with the Labor Administration, assisted with the promotion of the program through advising its membership of the program's availability and through additional training related services.

At the enterprise level, the individual companies served two functions, as intermediary distribution channels for financial assistance between Federal Government and miner, and, as in the case of Saarbergwerke AG, as the actual retraining location. At the plant level, the Works Councils operated to advise the workers of the programs and to assist in their selection.

Returning to the generalized model, one can see a similar diversification of function and responsibility carried over from the general structure to the specific case of program delivery. As in the generalized model, each of the components is responsible for that area for which it is best suited in terms of proximity and experience. Perhaps an explanation for the low level of conflict and operational success of the program can be looked for in the high degree of structural similarities between the West German institutions for industrial relations and the retraining program delivery system.



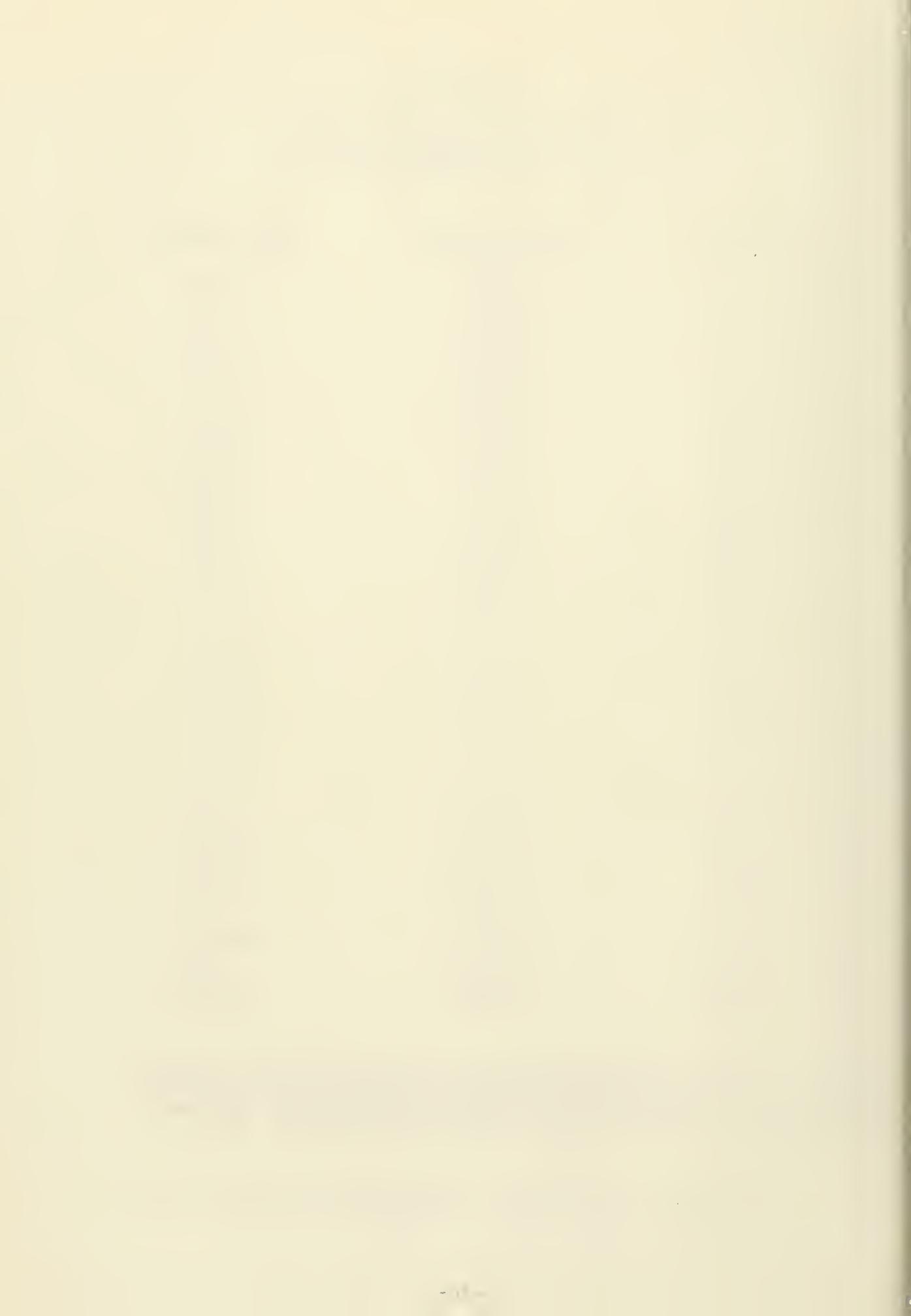
Appendix A:

Coal Production and Sales
in the Federal Republic of Germany
(in 1,000 metric tons)

<u>Year</u>	<u>Total Output</u>	<u>Total Sales</u> ^a
1950	126,224	100,241
1951	136,204	113,537
1952	141,037	119,397
1953	142,070	114,508
1954	145,890	120,972
1955	149,142	130,931
1956	152,705	134,062
1957	150,839	134,073
1958	150,005	116,760
1959	142,698	113,714
1960	143,225	123,420
1961	143,614	117,654
1962	141,899	120,894
1963	142,786	126,548
1964	142,704	116,437
1965	135,464	106,341
1966	126,290	98,501
1967	112,294	97,413
1968	112,165	102,889
1969	111,780	104,695
1970	111,443	112,082
1971	111,053	100,324
1972	102,707	93,922
1973	97,599	98,365

Source: "Steinkohlen, Steinkohlenbriketts und Steinkohlenkoks," Statistischen Jahrbuch (Statistical Yearbook), p. 48 and 66, as quoted in letter from Gierhardt and Mader, Gesamtverband des deutschen Steinkohlenbergbaus. Essen, 14 July 1975.

^aIncludes coal imports, sold after processing in the Federal Republic.



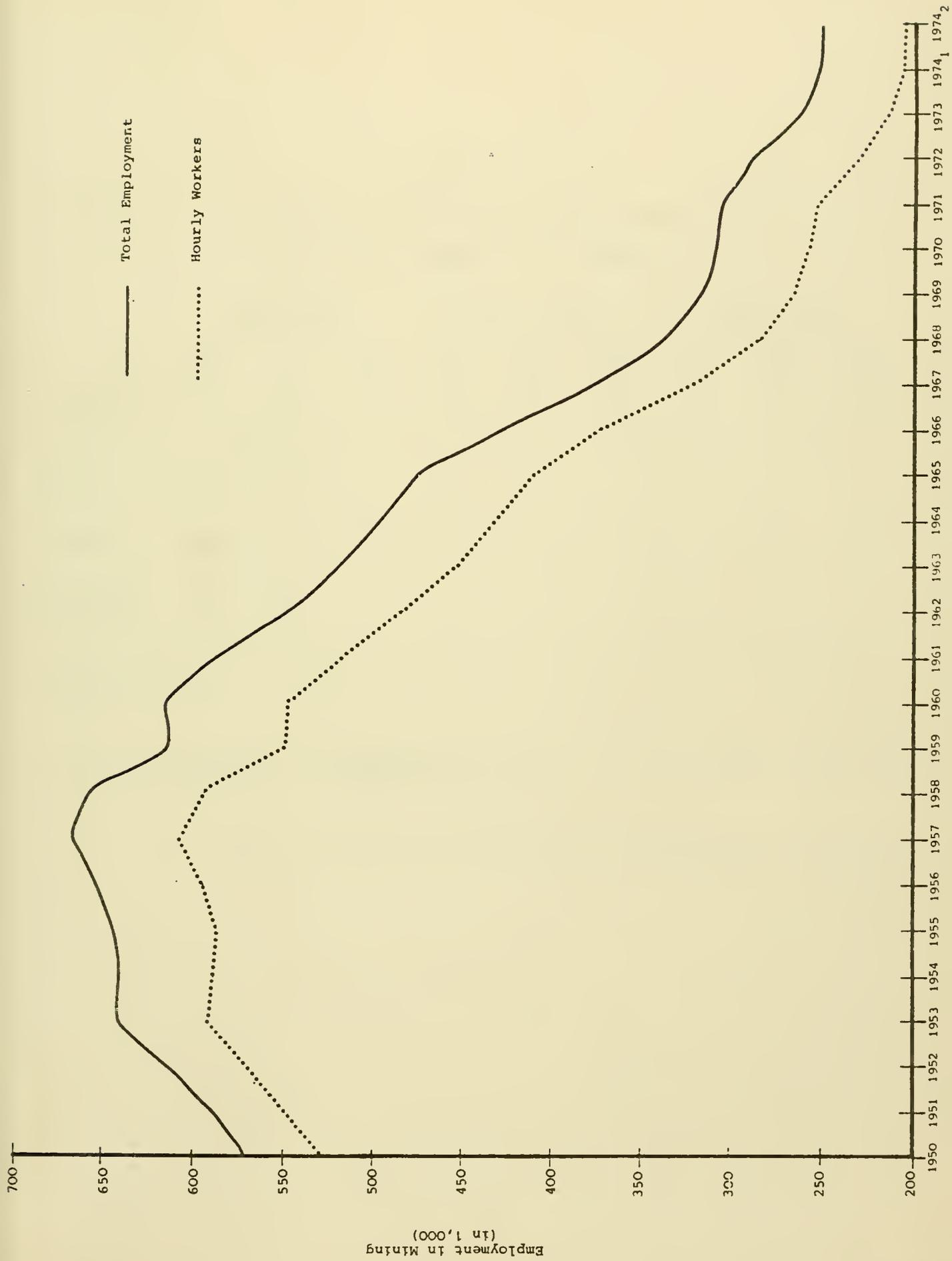
Appendix B:

Employment in Mining
(in 1,000)

<u>Year</u>	<u>Total Employment</u>	<u>Hourly Workers</u>
1950	571	528
1951	593	548
1952	614	568
1953	643	591
1954	642	588
1955	644	587
1956	653	594
1957	668	606
1958	657	593
1959	613	549
1960	616	547
1961	586	517
1962	549	481
1963	517	452
1964	497	432
1965	474	410
1966	435	373
1967	378	321
1968	337	285
1969	318	266
1970	310	259
1971	306	254
1972	283	233
1973	261	214
1974 1st Q	252	206
1974 2nd Q	251	205

Source: "Beschäftigte in der Industrie," Drucksache
7/2848, pp. 260-261.

^aNot including Saarland and Berlin.





Appendix C:

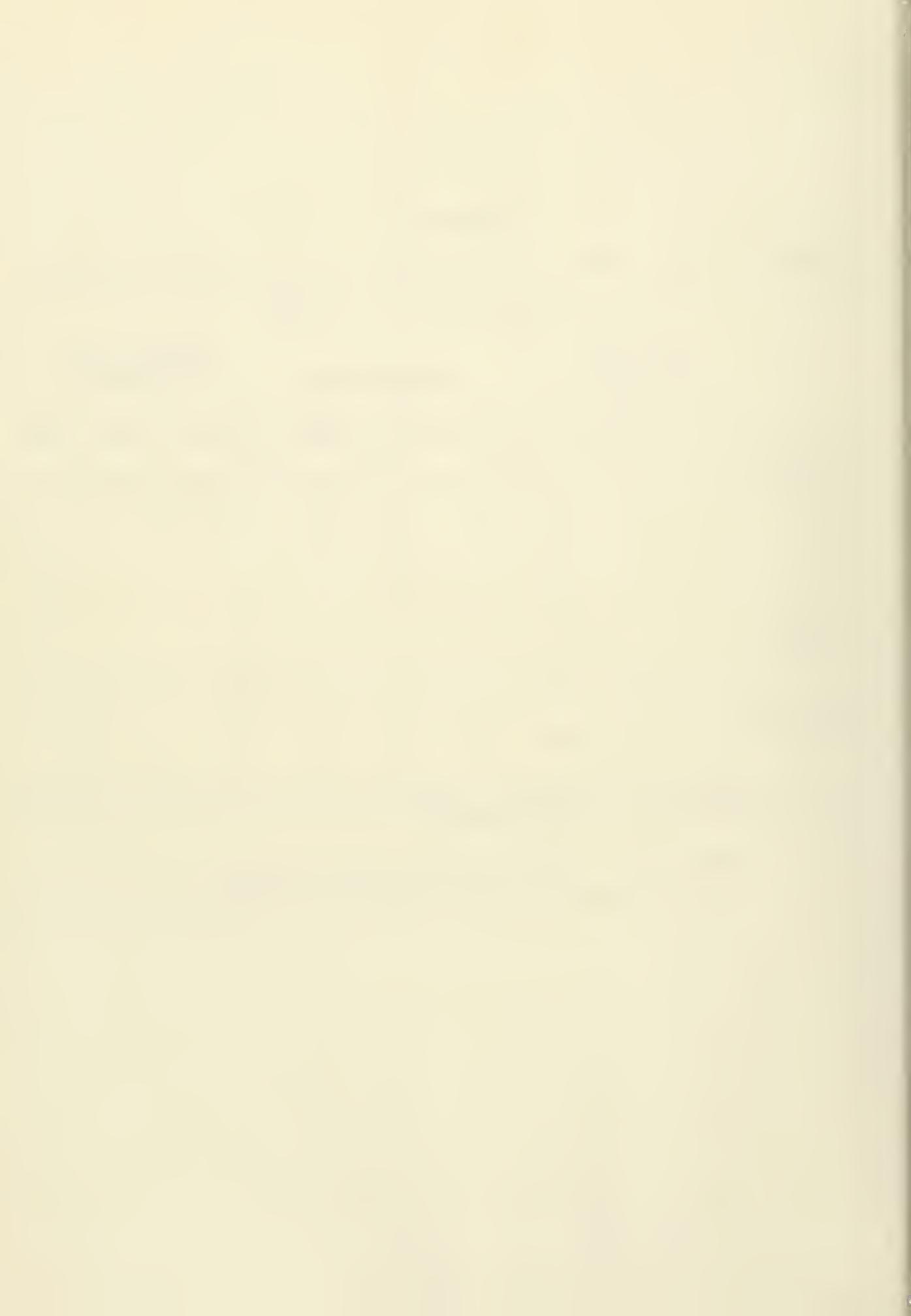
Number of Active Shafts, Coking Plants and Pressed Coal Factories
In the Federal Republic of Germany

District	<u>Mineshafts</u>			<u>Coking Plants</u>			<u>Pressed Coal Factories</u>		
	Jan 1957	Aug 1968	July 1969	Jan 1957	Aug 1968	July 1969	Jan 1957	Aug 1968	July 1969
Ruhr ^a	142	58	56	58	36	33	20	10	8
Saar	18	6	6	3	2	2	-	-	-
Aachen	9	6	5	2	2	1	3	2	4 ^b
Nieder- sachsen	6	2	2	1	-	-	2	1	1
Fed. Rep. Germany	175	72	69	64	40	36	25	13	11

Source: "Anzahl der Betriebenen Schachtanlagen, Kokereien und Brikettfabriken," Länderbericht, p. 4.

^aIncludes 17 mines in Ennepe-Ruhr district.

^bIncludes two factories manufacturing smokeless anthracite.

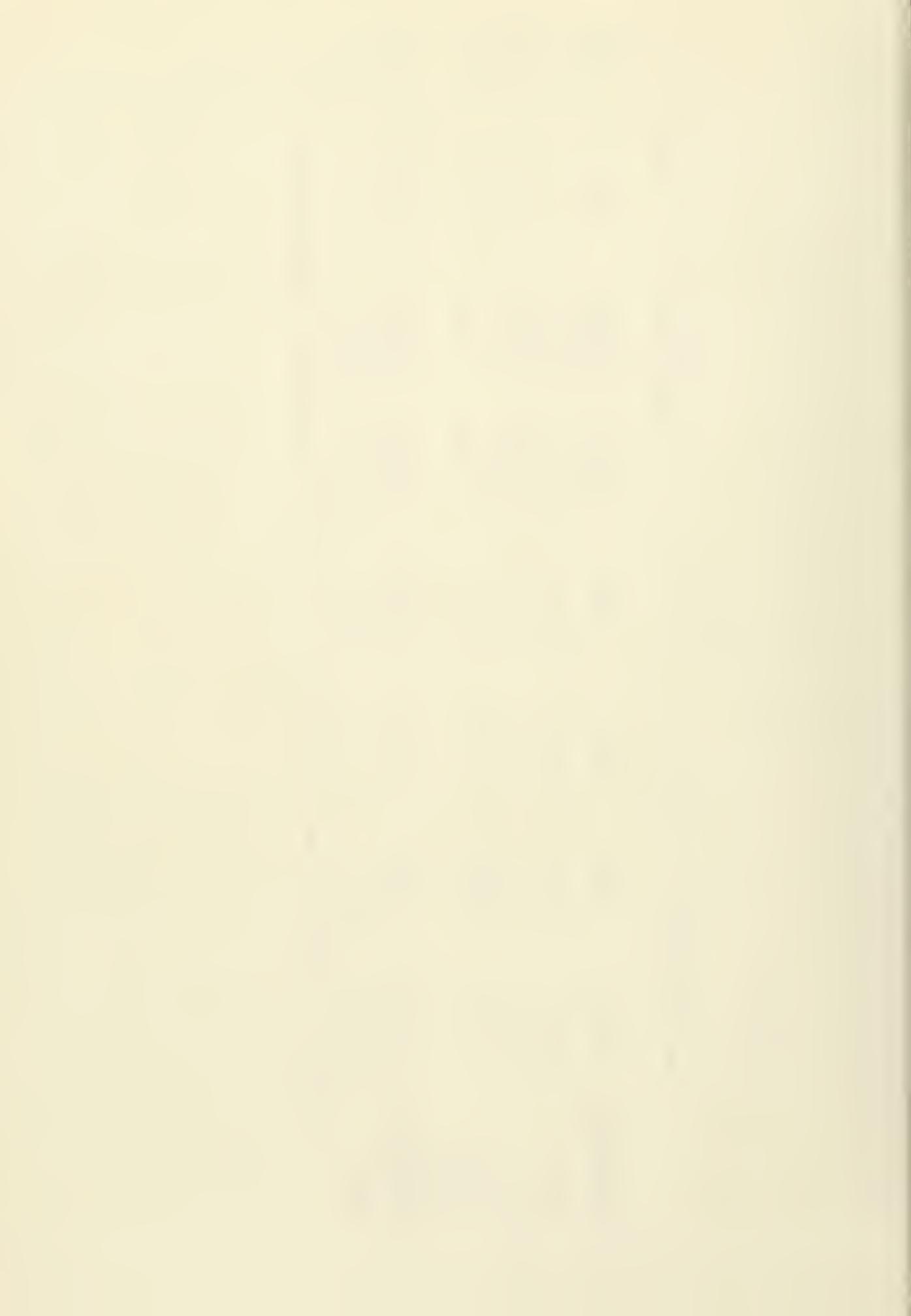


Appendix D:

Total Employment in Major Mining Districts in the Federal Republic of Germany

<u>District</u>	<u>1957</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>May 1970</u>
Ruhr	495,847	325,428	306,927	269,118	228,428	210,275	203,311	193,848
Saar	64,961	40,653	38,424	35,553	32,503	29,132	27,314	26,904
Aachen	35,136	25,438	25,004	23,659	20,659	19,328	18,231	18,519
Nieder- sachsen	11,405	7,028	6,641	5,525	5,373	5,277	5,203	5,160
Total	607,349	398,547	376,996	333,855	287,270	264,012	254,059	244,431

Source: "Gesamtzahl der Beschäftigten im Steinkohlenbergbau," Länderbericht, p.4.



Appendix E:

Summary of Legislation Pertaining to the Coal Industry in the Federal Republic of Germany

In response to reductions in the labor requirements of the coal industry, the Federal Government of West Germany enacted a number of measures designed to protect the miners from hardships resulting from these changes.¹ Specifically, these policies seek to: facilitate the re-employment of miners in other industries; financially tide the un-employed over until new work is found; and to allow for early retirement.

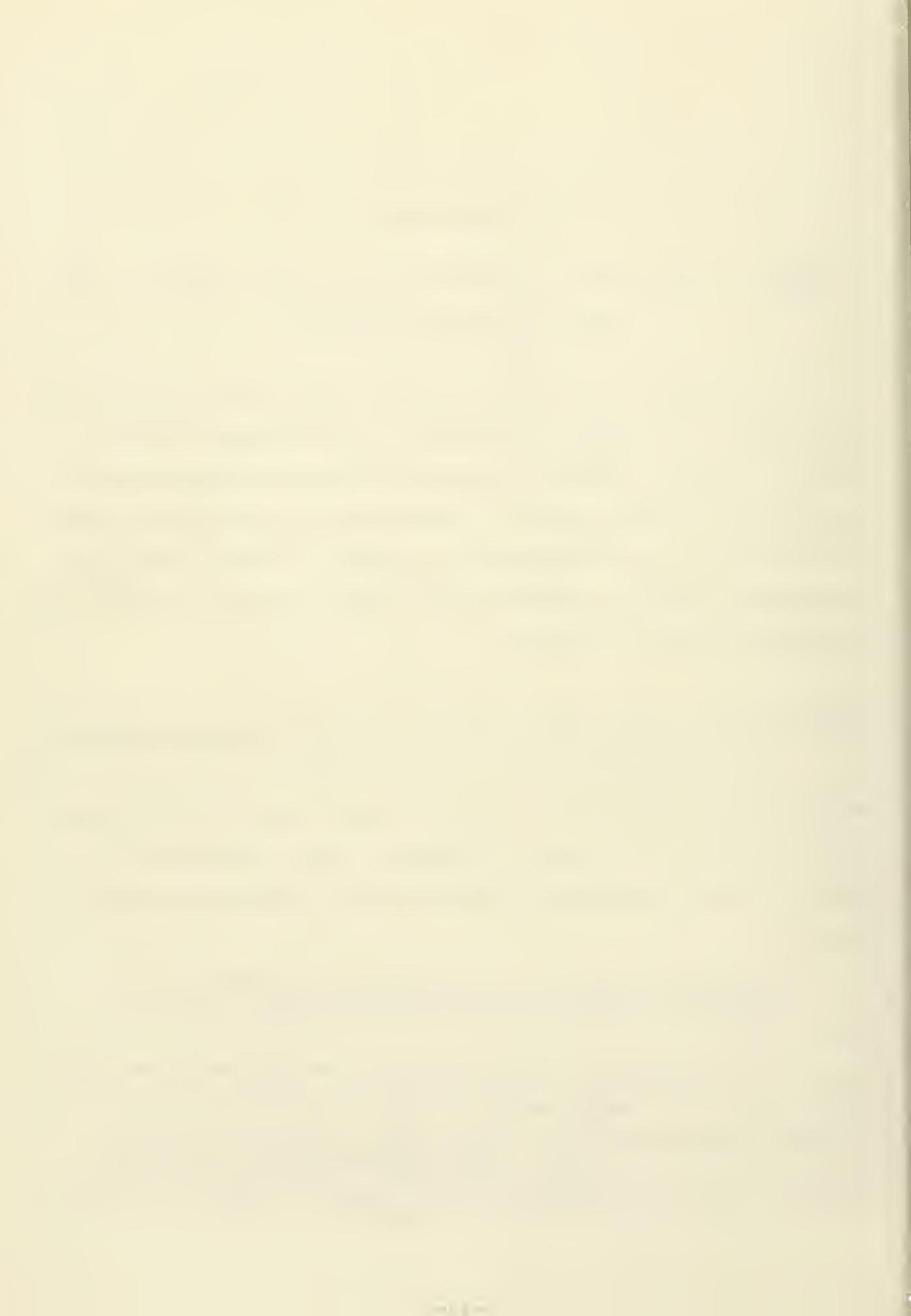
Treaty of Paris Establishing the European Coal and Steel Community

The Establishing Treaty of the European Coal and Steel Community (ECSC) of 1959 includes specific provisions for the protection of miners in the event of changes in labor requirements.

These provisions are addressed under Article §56, Sub-Sections (1) and (2):

- (1) where the introduction of technical processes or new equipment leads to an exceptionally large reduction in

¹In considering the political climate that would be conducive to the enactment of such policies, it should be noted that at the time of the employment crisis, the then Labor Minister (Bundesarbeitsminister) was Walter Arendt (1969-), president of the Mining and Energy Union (Industriegewerkschaft Bergbau und Energie) from 1964 to 1969. This is the union serving the coal industry. Though the extent to which Arendt's position influenced the government in the direction of corrective legislation can only



labour requirements in the coal or steel industries, making it especially difficult in one or more areas to re-employ the workers discharged;

- (2) where profound changes in marketing conditions take place in the coal and steel industries. . . obliging certain enterprises to cease,² reduce or change their activities on a permanent basis.

In the event of such changes, funds are provided jointly by the Commission of European Communities and the Federal Government to financially assist miners through the granting of:

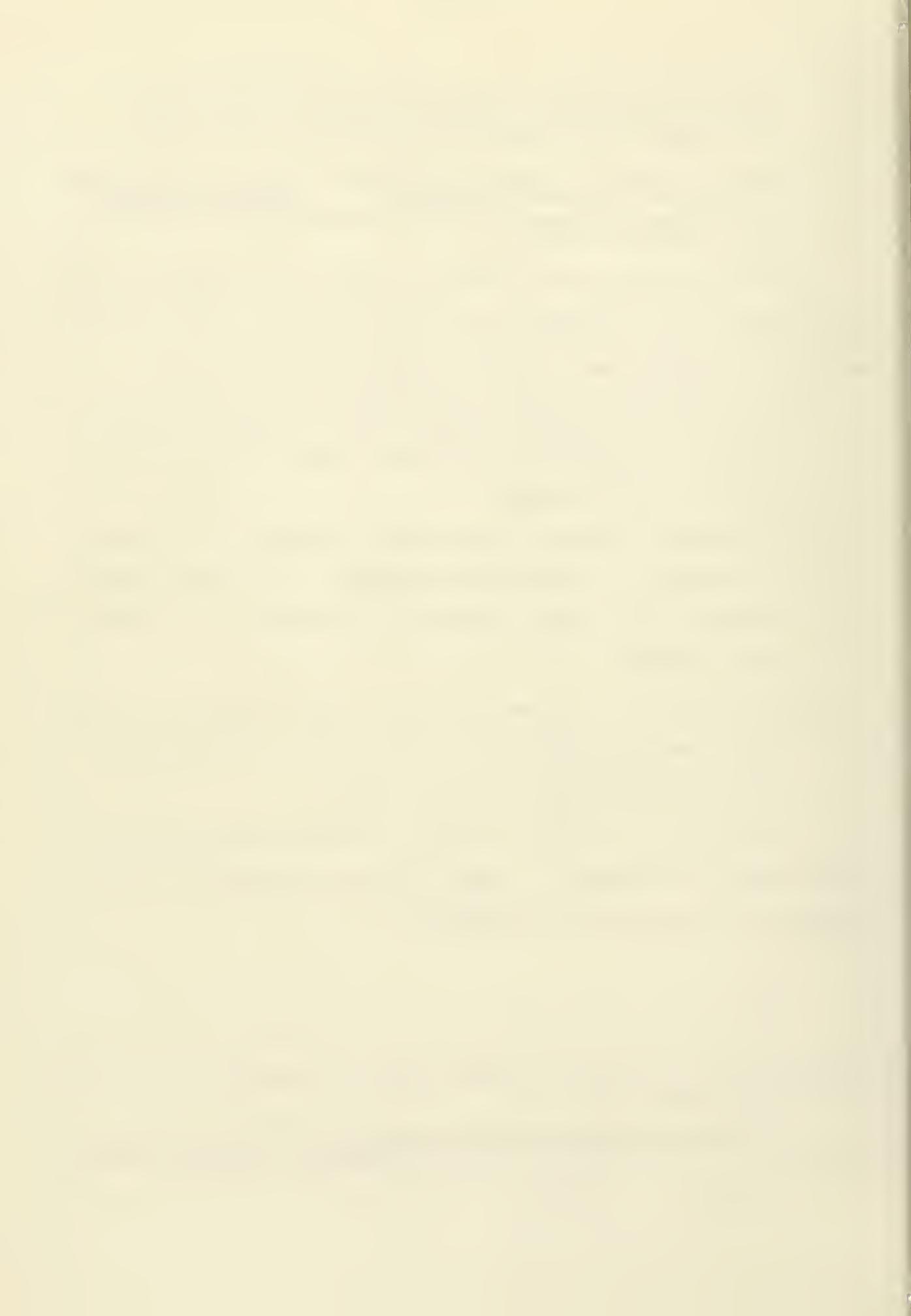
- (a) retraining allowances covering both training costs and a specified percentage of previous income for the duration of the training period;
- (b) allowances designed to encourage the mobility of miners in seeking and taking new employment. This covers such items as daily travel expenses and moving and re-settlement expenses;
- (c) assistance in the form of transitional allowances of not less than one year, for the duration of the period in which new employment is being sought.

As of 1970, a total of 193,852 workers were financially aided under this agreement. Total sums made available for this purpose were 203,316,000 Deutschmarks.³

be guessed at, it is safe to assume that his presence did not harm the miners' cause.

²Journal officiel des Communautés européennes, 1960, No. 33, as quoted in Coal Mines Committee, Problems. . . in that Industry, p. 51.

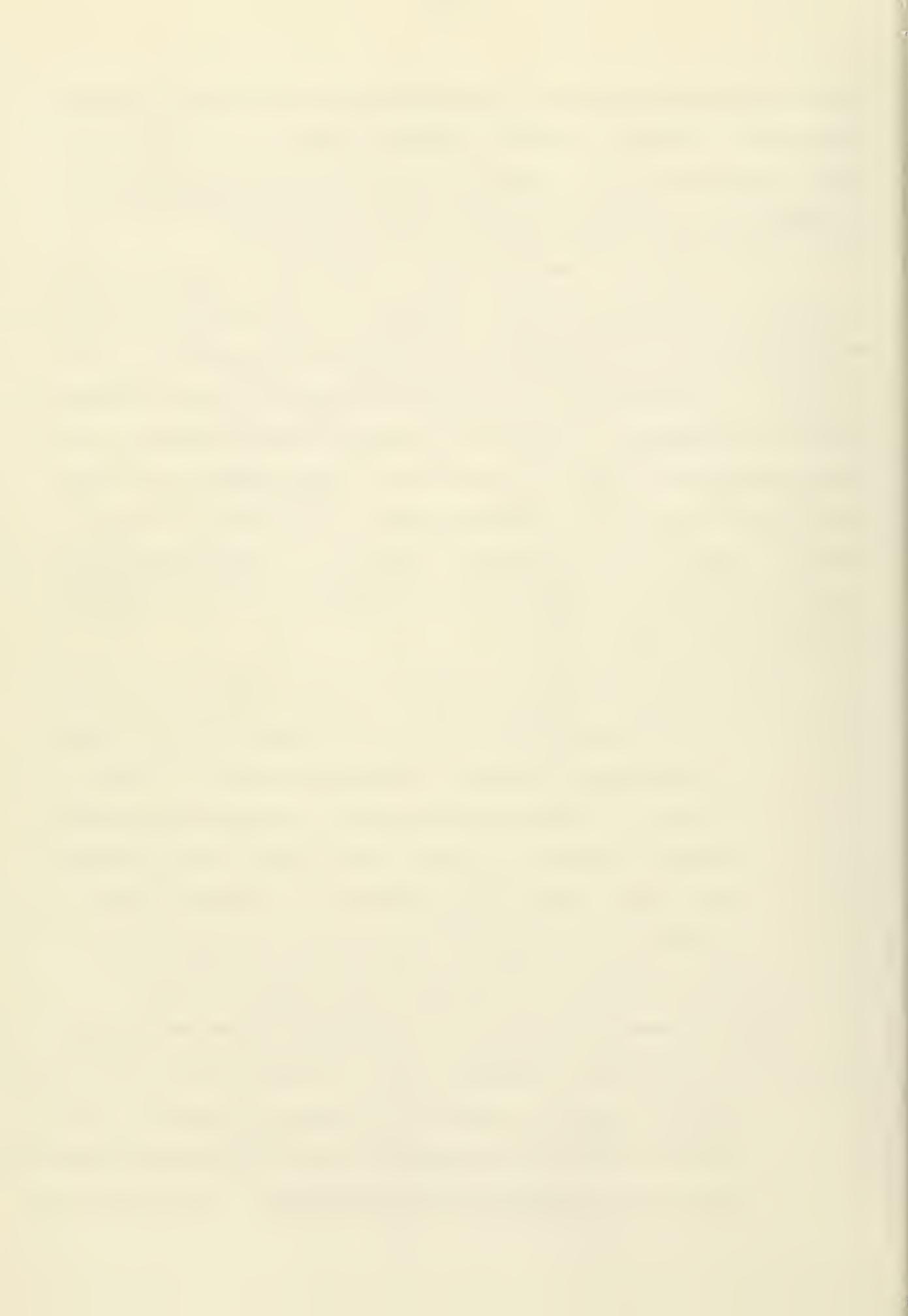
³Ibid.



Act for the Rationalization and Rehabilitation of German Hard Coal Mining and the German Hard Coal Mining Districts (Gesetz zur Anpassung und Gesundung des deutschen Steinkohlenbergbaus und der deutschen Steinkohlenbergbaugebiete) of 15 May 1968

The purpose of the "Coal Law," enacted on 15 May 1968, is to bring coal production in West Germany into conformity with the recommendations of the Commission of European Communities. This law calls for the provision of economic measures to shield workers from the consequences of partial or complete mine closures. It requires companies to draw up a Social Plan (Sozialplan) to provide benefits and services to affected miners in the event of a mine closure. Modeled after the Overall Social Plan (Gesamtsozialplan) issued by the Federal Government on 13 December 1971, the Social Plan is to make provisions for:

- (a) monthly allowances averaging DM 900 (inclusive of sickness contributions) to be paid to miners over 50 years of age meeting certain additional criteria. This allowance is based on the miners' insurance rates and is annually revised to conform with current wage and salary rates. Part of this benefit is covered by the Commission of European Communities in keeping with Article §56 of the Establishing Treaty of ECSC;
- (b) severance pay and other compensation financed through a closing-down subsidy of DM 12.50 per metric ton of production capacity awarded to companies through an intermediary agency, the Association for the Rationalization of Coal Mines (Rationalisierungsverband). The benefits to



be paid out of the grant are:

- compensation to discharged workers and temporary financial aid for unemployed persons, payable for two years;
- financial assistance for the re-location and re-settlement of displaced workers;
- additional severance pay for discharged workers.

Work Promotion Act (Arbeitsförderungsgesetz) of 1969

The Work Promotion Act was enacted in 1969 to promote the implementation of labor market policies in the event of a skills surplus or shortage. This act establishes:

everyone's right to financial assistance for further education or retraining (and to basic training, if required), including subsistence payments. Everyone can avail himself⁴ of this right if his claim is in line with labor market policy.

The funds are provided by the Federal Institute for Labor (Bundesanstalt für Arbeit) and cover the following items;

- (a) training course fees;
- (b) subsistence allowance based on a percentage of the trainee's former or expected earnings;
- (c) contribution to cover start-up costs associated with establishing training centers.

⁴Organization for Economic Cooperation and Development, Manpower Policy in Germany (Paris: OECD, 1974), p. 16

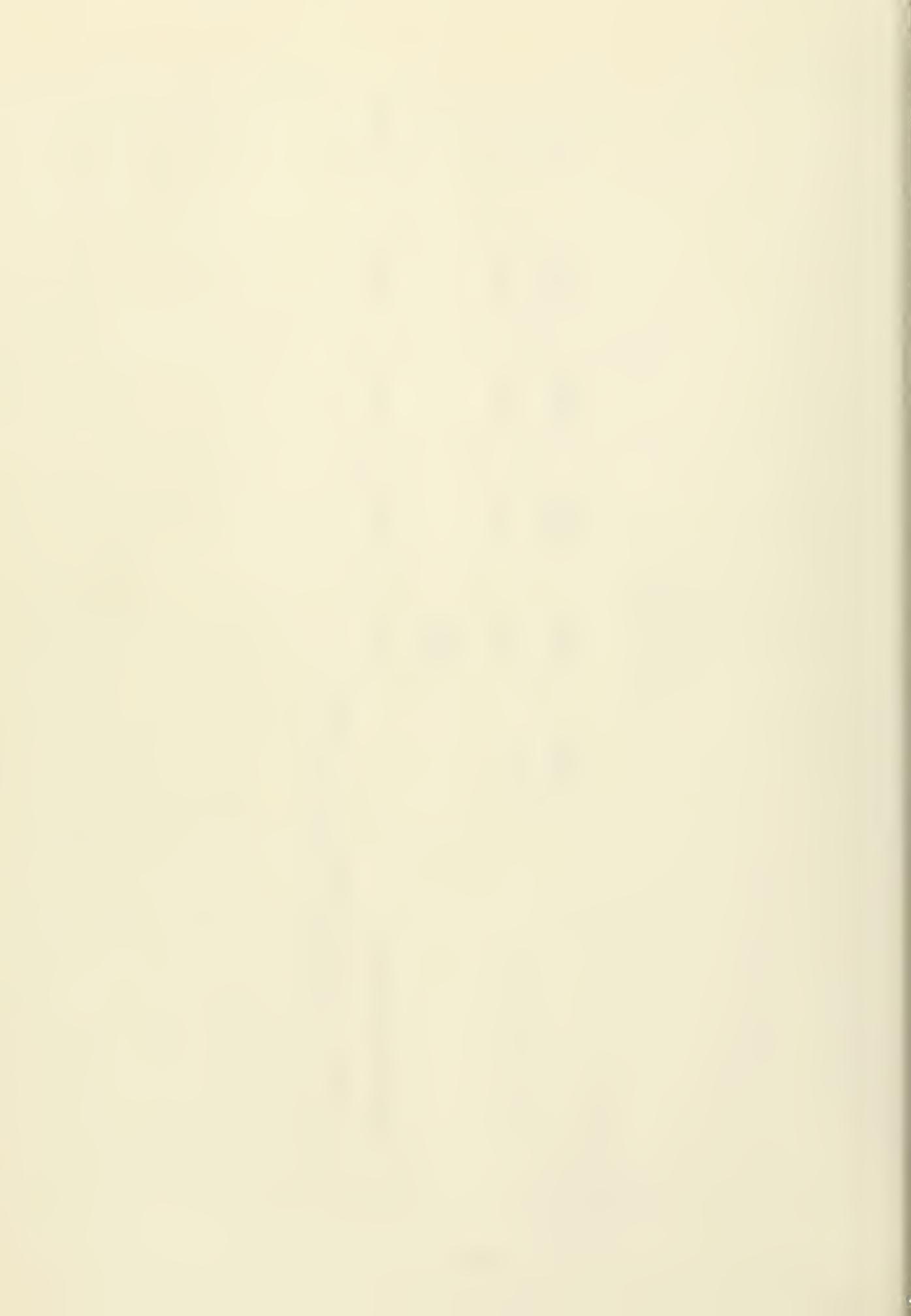


Appendix F:

Saarbergwerke AG

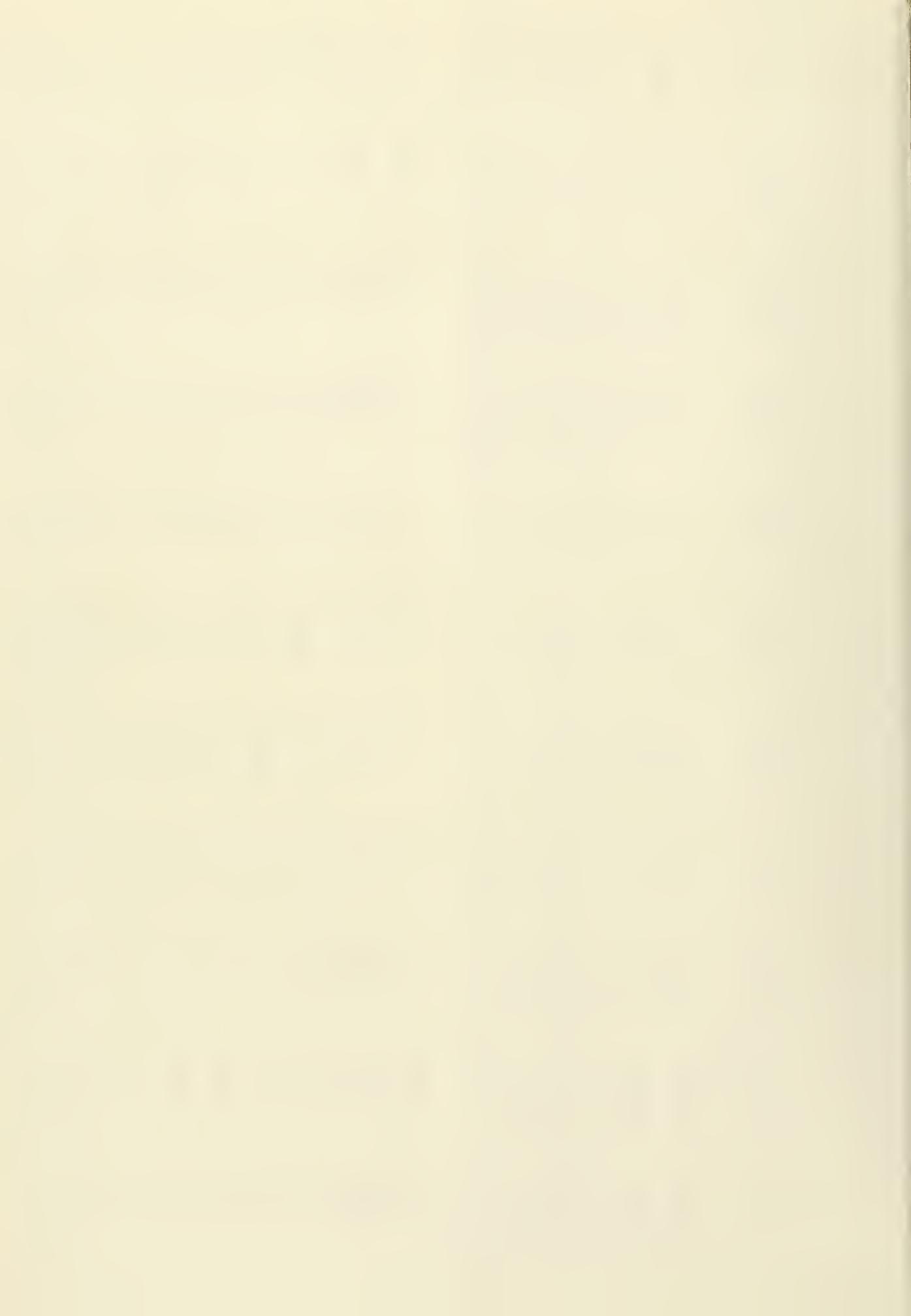
	<u>1950</u>	<u>1955</u>	<u>1960</u>	<u>1965</u>	<u>1970</u>	<u>1973</u>
Coal Production	14,985	17,206	16,234	14,197	10,554	9,175
		<u>1957</u>				
Total Employment		64,961	52,964	38,424	26,883	21,526

Source: Saarbergwerke AG in Zahlen.



	1957	1958	1959	1960	1961	1962	1963
<u>Hourly-paid Workers</u>							
Underground	40,668	40,352	38,162	33,335	30,154	27,083	25,273
Overground	17,830	16,117	14,969	13,257	12,479	12,080	11,300
Total Under- and Overground	58,498	56,469	53,131	46,592	42,993	39,163	36,573
<hr/>							
Total (hourly and white collar)	64,961	62,933	59,542	52,964	49,466	45,498	42,686
<hr/>							
<u>Separations (Hourly-paid Workers)</u>							
Deaths	213	196	166	160	132	421	138
Retirements - with Adjustment Compensation ^a	1,667	1,810	1,351	2,584	1,908	1,465	1,952
	-	-	-	1,694	1,100	485	1,444
Early Retirements ^b	-	-	-	-	-	-	108
Lay-offs ^c	86	104	142	62	10	41	30
Quits	1,065	1,016	1,363	1,912	814	736	400
Contract Breaks ^e	1,126	1,781	1,284	1,778	1,559	1,781	903
Military Service	-	-	-	45	67	51	63
Other Reasons	674	520	340	440	417	223	326
Total Separations	4,831	5,427	4,646	6,981	4,907	4,718	3,920

	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974
	23,827	22,255	20,351	19,170	16,767	15,181	14,309	14,110	12,775	10,462	10,560
	10,958	10,530	9,904	8,536	8,002	7,805	8,193	8,073	7,556	6,917	7,327
	34,785	32,785	30,255	27,706	24,769	22,986	22,502	22,147	20,331	17,379	17,887
	40,653	38,424	35,553	32,503	29,132	27,314	26,883	26,587	24,592	21,526	21,888
	106	102	93	83	78	79	73	79	56	59	59
	1,058	863	808	575	403	315	372	474	371	196	116
	401	68	162	178	266	176	238	305	220	130	66
	569	585	1,069	534	319	235	157	237	336	79	17
	28	51	66	863	1,231	480	23	60	1,491 ^d	2,200	231
	361	374	384	259	501	612	282	217	246	270	109
	813	928	754	261	230	312	431	291	308	379	180
	38	42	68	47	179	92	64	67	99	91	109
	282	234	189	145	177	230	180	262	188	190	240
	3,255	3,179	3,431	2,767	3,118	2,355	1,582	1,687	3,095	3,464	1,061



Source: Personnel Department, Saarbergwerke AG.

a

Adjustment Compensation (Anpassungsbeihilfe) is financial assistance for affected miners borne 50 percent by the European Coal and Steel Community and 50 percent by the Federal Government, in accordance with Article §56 of the Treaty of Paris establishing the European Coal and Steel Community.

b

If a miner has worked 25 years underground, he is entitled to draw his pension from the age of 55 rather than 60, the normal retirement age. Both conditions, 25 years labor underground and 55 years of age, must be met. In addition, in order for him to receive his Miners' Compensation (Knappschaftsausgleichsleistung), he must be given notice in the year in which he becomes eligible.

c

In 1967, 1968 and 1969, Saarbergwerke instituted a so-called "59 Years Old Action" (Aktion 59jährige) program. With the miner's agreement, a man of 59 or more years was laid-off by Saarbergwerke. He was entitled to receive unemployment benefits from the Labor Administration until he came of retirement age. At that time he began to draw his pension. Until retirement, Saarbergwerke made up the difference between his unemployment benefits and 90 percent of his previous net income. By means of this program, Saarbergwerke was able to free up a considerable number of job openings, thereby enabling the younger workers to stay on.

d

In 1972, 1973 and 1974, Saarbergwerke was again able to lay-off a considerable number of workers (1,391 in 1972, 2,055 in 1973 and 186 in 1974), with Adjustment Compensation (Anpassungsgeld). These payments, made possible by the Federal Government's Guidelines for the Granting of Adjustment Compensation to Workers in German Coal Mining (Richtlinien über die Gewährung von Anpassungsgeld an Arbeitnehmer des deutschen Steinkohlenbergbaus), were to tide the miner over until new employment was found, help cover re-settlement expenses, etc. The costs of this subsidy were borne two-thirds by the Federal Government and one-third by Saarland.

e

"Contract Breaks" are quits by workers without notice.

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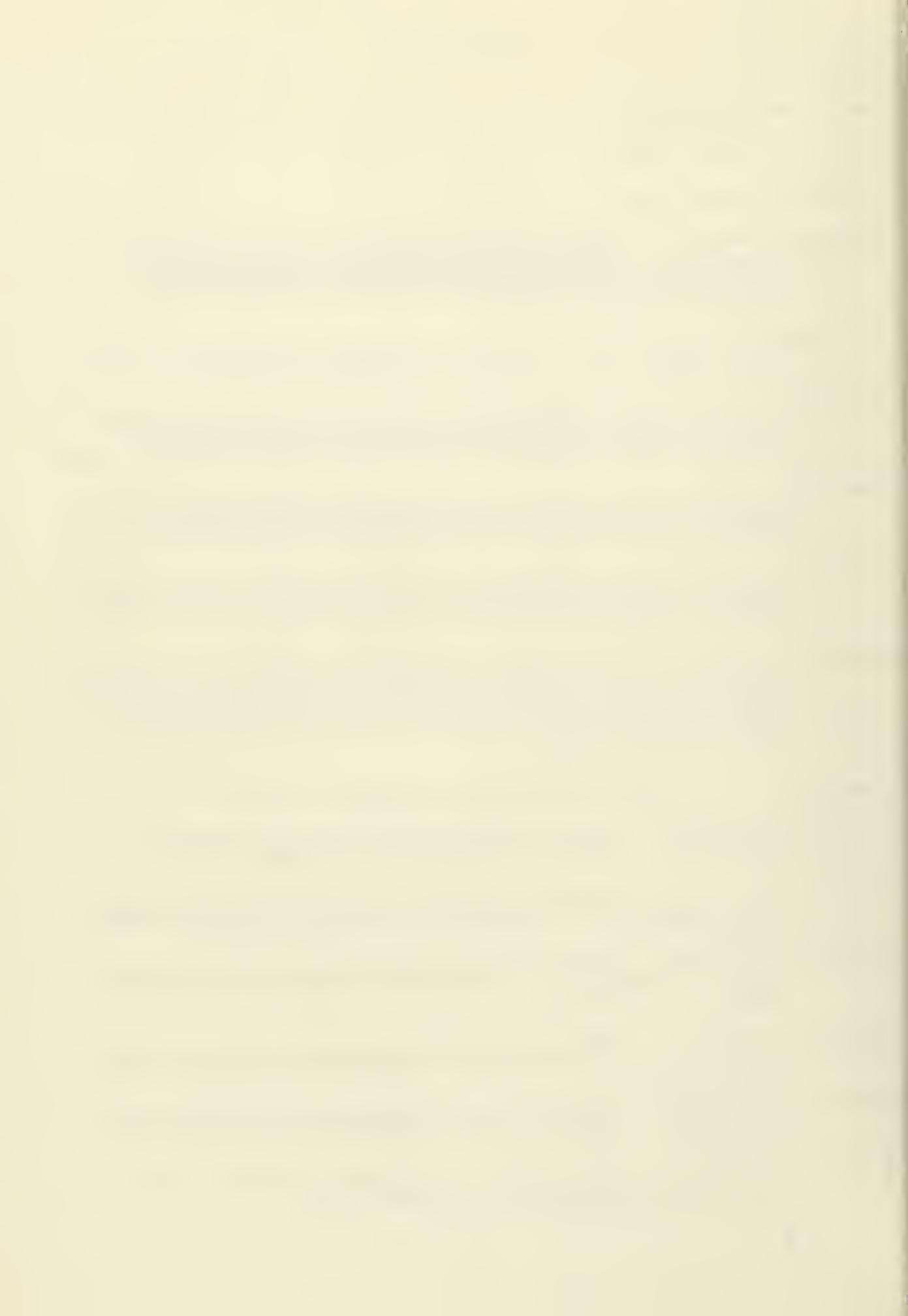
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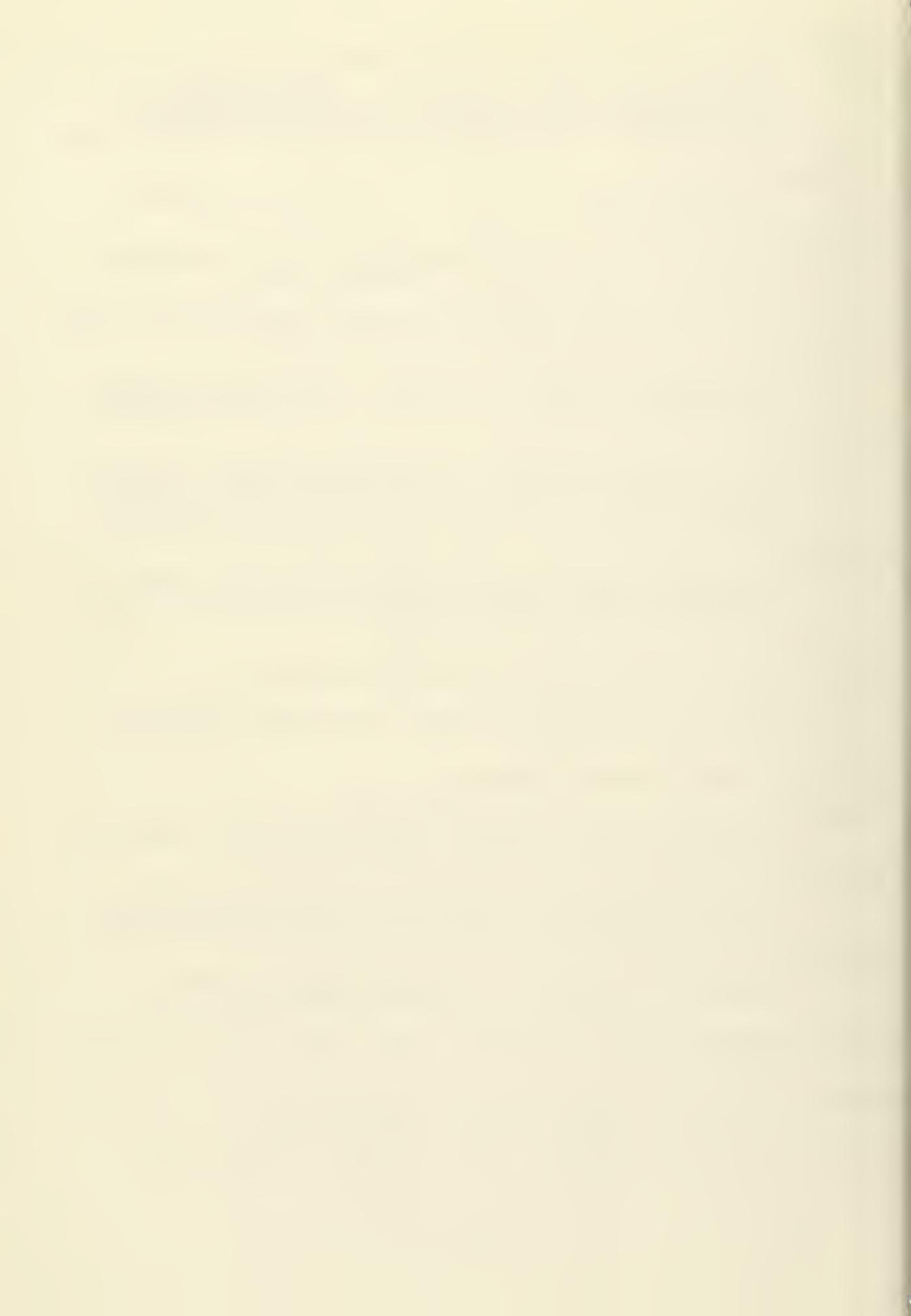
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