



Press Release

IMPORTANT DECISION FOR THE TRADE, BANKING AND INSURANCE SECTOR: HAS THE DHV COLLECTIVE-BARGAINING CAPACITY?

Erfurt/Munich, 25 June 2018 – Tomorrow, on Tuesday, 26 June 2018 the Federal Labour Court (*Bundesarbeitsgericht - BAG*) will decide whether or not the Trade Union DHV has collective-bargaining capacity (1 ABR 37/16). "The decision will be of major importance for the trade, banking and insurance sector, since many employment relationships in this sector are in compliance with collective agreements negotiated by the DHV", says *Wolfgang Lipinski*, Labour Law Specialist and Partner of the international law firm BEITEN BURKHARDT and acknowledged expert in collective bargaining law. "It is hoped that the Federal Labour Court confirms the collective-bargaining capacity and powers of the DHV and, thus, stems and curbs the wish, *inter alia*, of the Trade Union of the Metal Industry and ver.di to eliminate undesired competition, since with the Law on Bargaining Unity and the Minimum Wage Law meanwhile legal provisions exist that maintain and upkeep a functioning autonomy of collective bargaining", the collective bargaining expert further stated.

The DHV is an employee representation organised in the Christian Trade Union Federation of Germany (*Christlichen Gewerkschaftsbund Deutschland - CGB*) and – according to its own statements – represents the trade union and professional interests of approx. 73,000 employees. The applicants, *inter alia*, the Trade Union of the Metal Industry, ver.di and the Trade Union for Food, Beverages and Catering assert that the DHV would lack the necessary powerfulness and efficiency for an employee representation with collective-bargaining capacity. According to its statutes, DHV's sphere of organization extends to approx. 11.4 million employment relationships. However, one would have to assume a maximum of only 10,000 members, thus, resulting in trade union coverage below 0.1%. Furthermore, also the financial support would be insufficient.

The DHV, *inter alia*, replied that its organization would include approx. 7 million employment relationships. It would have more than 10,000 members. Its organisational efficiency would be based on its participation and involvement in the bargaining process over many years. Furthermore, it would have to be taken into account that already in the years 1956 and 1997 its collective bargaining capacity had been questioned in two labour law disputes without success. The Labour Court allowed the motion in the first instance, while the Regional



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Labour Court dismissed it.

Dr. Wolfgang Lipinski is available for further information, statements and guest contributions.

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