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To the point!

Cross-Asset- and Strategy-Research

A postcard from London



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Britain in strike mode! Industrial relations work better in Germany

Tuesday marked the third anniversary of Britain formally leaving the EU. Reason enough for me to pay London a visit. Not a day of joy. Neither in Europe nor in the proud (still) United Kingdom. A nationwide [poll](#) in mid-December showed that only in three constituencies (out of 629!) did a majority of citizens still think that leaving the EU was a good idea. Of those respondents who had an opinion on the subject (ahem, how can a Brit not have an opinion on this?), a majority of 2:1 judged that Brexit had been a mistake.

Why so much disappointment prevails

Two factors are likely to be responsible for this mood. For one thing, it became clear that the governing Conservatives wanted Brexit but had no plan for the post-Brexit period. Instead, they are mainly busy fighting each other and wearing out prime ministers. Rishi Sunak is already the fifth prime minister since the referendum. Italian conditions. Only a quarter of eligible voters would still vote for the Tories if an election were held today.

In addition to politics, the British are also frustrated by the weak economy. The [International Monetary Fund](#) published new forecasts this week. According to this forecast, the UK will have the weakest growth performance of the 30 countries under review.

A wave of strikes sweeps Great Britain

What dominated the talks in London this week, however, was not what was happening in Westminster or the Bank of England's renewed interest rate hike. Not even the falling house prices, always a staple in British conversations. Instead, tempers were fired up by a wave of strikes that is sweeping the country like



Unpopular government, weak economy, lousy mood

nothing seen in more than a decade. On Wednesday, half a million workers went on strike. Teachers, train staff, bus drivers, public employees. A similarly comprehensive day of strikes is expected today, Friday.

If so, there would have been a million days lost to strike this week. That's as many strike days as there normally are in more than two years: In the decade leading up to the start of the pandemic, there were "only" about 37 thousand days per month. For comparison in Germany, the Federal Employment Agency recorded 22 thousand strike days per month in the same period. And this despite the fact that Germany's workforce exceeds that of Great Britain by a third.

The government in London digs in, determined not to give in to the unions' demands. The unions smell a weak and unpopular government. Polarization is growing. There is no end in sight.

Germany as a positive counterexample

And in Germany? All quiet. Of course, German employees also suffered severe losses in purchasing power last year, as discussed recently in [this column](#). Despite this, there have been no major labor disputes so far. The ability to find compromises is a valuable asset, especially in times of crisis. And here Germany has a good track record.

Of course, German employees also want compensation for their loss of purchasing power. This bill will still have to be settled over coming years. And warning strikes, for example in the rail sector, would not be a surprise. But the pragmatic and comparatively trusting approach of the German collective bargaining parties helps Germany to better cushion crisis situations. And it helps to largely avoid chaotic conditions, as is currently the case in Britain. Germany can be proud of this constructive culture.

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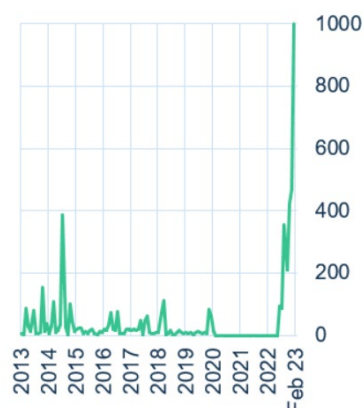
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Great Britain: Working days lost due to strike (in 1000)



Sources: ONS, Daily Press, LBBW Research

This week there were as many strikes in Britain as there are usually in two years!
