

in brief...

# Unions in Germany: better placed than their British counterparts?

Like British unions, unions in Germany face the serious problem of crumbling membership. Union membership peaked in 1981 and has fallen ever since. Union density too has fallen with less than a quarter of German employees now members. And as in Britain, the sustained decline in membership and density seems to have been the consequence of both external factors – such as changes in the composition of the workforce – and internal factors – unions' own structures and policies.

The resulting financial problems have not made union revitalisation easier. Union mergers have been one consequence with the emergence of a small number of multi-sector unions. But again as in Britain, it is an open question whether a smaller number of larger unions is better suited to the modern world. And although unions in Germany have made innovative use of modern information and communications technologies to deliver services to members, it is doubtful whether this can compensate for the loss of face-to-face contact and organisational withdrawal from low membership areas.

Both countries have also experienced a decentralisation of collective bargaining and a substantial decline in bargaining coverage. But in contrast to Britain, multi-employer collective bargaining still dominates in Germany, even though there has been a shift of bargaining competences to the plant level in sectoral agreements. Still, two out of three German employees work in an establishment that is covered either by multi-employer or single-employer bargaining. As with membership, unions in both countries have had problems in organising new establishments, which implies that bargaining coverage can be expected to decline further, particularly in the private sector.

## Two out of three German employees work in an establishment covered by collective bargaining

The fall in membership and bargaining coverage goes hand in hand with a decline in bargaining power and problems of legitimacy and political effectiveness. Union relations with the government and the Social Democratic Party have soured since March 2003, when Chancellor Schröder outlined his reform programme for reinvigorating the stagnating German economy. This included reforms of the labour market and the welfare state – such as changes to job protection law and unemployment insurance – that were fiercely but unsuccessfully opposed by the unions.

In the political arena as well as in the fields of collective bargaining and industrial relations, the German unions face difficult decisions, in particular whether to be more pragmatic and try to influence reforms or to oppose them for ideological reasons. Behind the mask of a unified labour movement in Germany, there is a whole range of different union views and strategies, ranging from 'social partnership' to 'countervailing power' against both employers and government. It is high time for the unions to define what they stand for in the twenty-first century and to find convincing strategies for reversing the various economic and political trends working against them.

## Behind the mask of a unified German labour movement, there is a range of different views and strategies

*'Trade Unions in Germany: On the Road to Perdition?'* by Claus Schnabel is a chapter in *Trade Unions: Resurgence or Demise?* (Routledge, 2005). **Claus Schnabel** is at the University of Erlangen-Nürnberg.