

## The curse of institutional security: the erosion of German trade unionism

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Anke Hassel\*

## **The Curse of Institutional Security: The Erosion of German Trade Unionism\*\***

**Abstract** – Among all EU member states, German unions have the widest gap between male and female trade union density rates and are least adjusted to the structural changes stemming from the rise of the service sector on the labour market. This development asks for a more subtle understanding of the role of industrial relations institutions for trade union membership. The paper addresses the phenomenon by locating the main problem areas of membership erosion, such as weak service sector membership and the ageing of membership in manufacturing trade unions. It argues that industrial relations institutions have a double effect. Industry unionism is on the one hand a key pillar for centralized bargaining and institutional stability. On the other hand, stable institutional structures might have contributed to the membership decline.

### **Die Nachteile institutioneller Stabilität: Die Erosion der deutschen Gewerkschaften**

**Zusammenfassung** – Von allen EU Mitgliedstaaten weisen die deutschen Gewerkschaften die größte Differenz in den Organisationsgraden von Männern und Frauen auf. Sie sind am wenigsten an die Strukturveränderungen des Arbeitsmarktes aufgrund des Entstehens der Dienstleistungsökonomie angepasst. Diese Tatsache erfordert eine gründlichere Analyse der Rolle der Institutionen der Arbeitsbeziehungen für die gewerkschaftliche Mitgliederentwicklung. Der Beitrag lokalisiert die Hauptprobleme des Mitgliederschwunds der Gewerkschaften im Bereich der schwachen Vertretung im Dienstleistungssektor und der Alterung der Mitglieder in den Industriegewerkschaften. Er argumentiert, dass die Institutionen der Arbeitsbeziehungen einen doppelten Effekt haben. Industriegewerkschaften sind einerseits die wesentliche Stütze zentralisierter Tarifverhandlungen und institutioneller Stabilität. Auf der anderen Seite gibt es Anzeichen, dass ihre Stabilität auch zu dem Mitgliederschwund beigetragen hat.

Key words: **Trade Unions, Membership, Institutional Theory**

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## 1. Introduction

Over the last 15 years, German trade unions have experienced a drastic decline in membership. During the ten years between 1993 and 2003 they lost 24% of their total members. This scope of membership loss was exceeded only by trade unions in a few eastern European countries (EIRO 2004). In the developed world, German trade unions now belong to the group of countries with the lowest trade unionization. Germany also has the highest gap between male and female unionization within Europe (Table 1).

This development is not only worrisome for the unions themselves. It can also serve as a starting point to broaden our theoretical assumptions on factors determining union membership and recruitment. In recent years, research has pointed consistently to two factors that largely determine union membership. In cross-country studies, institutional factors were highlighted. Research studies have particularly established the role of the Ghent system, centralized wage bargaining and union representation at the workplace as crucial factors influencing membership developments (Visser 2002). Within countries, personal characteristics such as gender, sector and professional status can explain large shares of membership structures (Schnabel and Wagner 2007).

However, with a few exceptions (for instance Willman et al. 1993) little research has examined the interaction of institutions and organizational characteristics of trade union systems. The organizational capacity of trade unions to deal with the changing structure of the labour market as a factor on how well unions adapt to a fast de-industrializing economy has hardly been researched.<sup>1</sup> However, the distinct differences between countries with regard to their ability to attract and recruit new groups on the labour market beg for explanation.

This paper raises some issues regarding our theoretical understanding of membership recruitment. It argues that we have to specify more closely which types of industrial relations institutions are conducive to trade union membership and how they interact with structural changes on the labour market. Its purpose is to address these issues by looking at the membership developments of German trade unions in general and the metal sector union IG Metall in particular. It aims to tell a twofold story that looks at the strong and weak areas of union membership separately. It argues firstly that German trade unions are composed of specific groups of employees, primarily defined in terms of the sectoral composition of union members. The manufacturing sectors and their blue collar workers still constitute the backbone of union members. Although the service sector is covered by the same industrial relations institutions and structures, trade union member recruitment has not taken off.

At the same time however, membership composition within the manufacturing sector is also undergoing a transformation, as the example of the metal sector union IG Metall shows. The union's membership focuses on an age cohort of workers who joined the union in the 1970s. While these workers have aged with the union, the IG Metall has found it difficult to adjust to new and younger cohorts on the labour mar-

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<sup>1</sup> See the literature on union revitalization by Frege and Kelly (2003, 2004).

ket. Recruitment among young, skilled and semi-skilled workers in manufacturing sectors is slackening.

**Table 1: Percentage of union members among employees in EU countries, 2002/2003**

(Source: Schnabel and Wagner 2007. Data from the European Social Survey 2002/2003 (ESS1e05, released June 17<sup>th</sup>, 2004))

Country	All	Male	Female	Blue collar	White collar
Austria	3.1	36.2	25.9	31.1	31.2
Belgium	39.7	42.0	37.4	56.3	35.0
Denmark	83.6	82.0	85.3	84.6	83.2
Finland	68.9	63.4	74.4	68.5	69.2
France	15.6	15.2	16.0	n.a.	n.a.
Germany	21.7	28.6	14.4	26.7	19.8
Greece	12.4	12.9	11.8	8.6	14.4
Hungary	13.1	11.0	15.2	10.5	14.8
Ireland	37.6	43.6	32.3	45.2	35.2
Italy	18.2	22.9	13.8	17.9	19.2
Luxembourg	34.8	40.9	27.2	44.6	31.1
Netherlands	28.6	32.5	24.7	29.9	28.2
Poland	15.7	13.8	18.3	17.4	14.7
Portugal	11.1	12.3	10.1	8.6	14.0
Slovenia	41.2	37.7	44.8	42.9	40.5
Spain	11.3	12.9	8.9	10.3	12.2
Sweden	76.8	74.0	79.8	80.0	75.7
United Kingdom	26.6	26.3	26.8	24.5	27.4

Note: The samples include all respondents aged 15 to 64 who were employed (and neither self-employed nor in paid work) at the time of interview. White collar workers are defined following the ILO International Standard Classification of Occupation (ISCO-88) as those with ISCO Nos. < 7000, blue collar workers as those with  $7000 \leq \text{ISCO} \leq 9999$ .

The paper argues that one of the reasons for this development could be the model of industrial trade unionism that has been highly successful in the past but has not been able to adjust to new economic sectors. Within the German industrial relations institutions, employment regulations and trade union policies are still strongly focused on the male manual worker in the manufacturing sector. Trade union priorities focus on protecting employment interests of core workers in big manufacturing plants and recruiting and maintaining members who are core workers in these sectors. Given monopoly representation of industrial unionism and institutionalized workplace representation, trade unions do not have to actively respond to changing labour market structures. As a result, and despite a massive and quick restructuring of the labour market over the last 15 years, trade union structures and policies have not adjusted to the new economic environment.

For institutional theories of trade union membership recruitment, the implication of the German case is that institutional coverage that preserves employers' support of trade unionism at the workplace is the framework in which trade unions consider and decide upon priorities with regard to recruitment strategies. The institutions provide

the opportunity structure for trade unions to engage in membership recruitment and workers' interest representation. In other words, corporatist industrial relations institutions, which limit competition between unions and secure the representation of interests at the workplace, have, on the one hand, alleviated trade union worries of active membership recruitment. On the other hand, the institutional security the unions have enjoyed might have contributed to a neglect of active recruitment of new groups in the labour market.

The paper consists of three parts: the first section is a theoretical discussion on the role of institutions in trade union membership research. The second section will use the German case as an illustration for the theoretical argument. It analyzes membership trends in German trade unions, particularly of the IG Metall. The third section relates the issue of membership developments to the role of monopoly industry unionism.

## **2. Trade union membership in an institutional perspective**

The propensities of individual employees to join unions can be seen from two different perspectives. First, the combination of characteristics such as full-time, male, manual employment in the manufacturing sector might indicate an individual's intrinsic motivation to join a union because of a strong personal attachment to the labour market. It might also indicate that the worker belongs to a social group in which trade union membership is seen as a status symbol, as social custom theory suggests (Booth 1985, Naylor 1990).<sup>2</sup> But from an organizational perspective, such characteristics might also point to the fact that trade unions are more likely to attract or retain these types of members due to the ease in recruiting based upon their institutional background.

Following corporatist theory, monopolistic trade union structures foster the incorporation of trade unions into policy-making. The theory assumes that a shift of regulatory power to trade unions would ensue if the state is able to rely on the co-operation with trade unions and could expect a co-ordinated wage policy (Streeck 1981). In exchange, trade unions would expect to receive measures of organizational security by the state, such as the administration of unemployment benefits as in the Scandinavian case, or better access to the workplace by trade unions, as in the German case.

In pluralist countries, where the competition between interest associations was fierce and governments could not rely on the co-operation of trade unions, these measures were not granted or only to a very minor extent. Here, institutionalized measures of organizational security tended to be primarily focused on agreements between employers and trade unions, for example the closed shop, and much less focused on the state.

In comparative research on union density, institutional factors have long been established to be of central importance (Schnabel/Wagner 2007; Visser 2002; Ebbing-

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<sup>2</sup> Social custom theory suggests that complying with a social norm of union membership provides a gain in 'reputation', which is seen as a private good. See Booth (1985) and Naylor (1990).

haus/Visser 1999; Hassel 1999a). Firstly it is argued that in systems of centralized collective bargaining, membership recruitment for trade unions is easier, since they can claim that the results of pay bargaining rounds are due to their intervention (Bean/Holden 1992: 54). Bean and Holden however, also argue that the generalization of wage increases for all employees - not only trade union members - reduces the incentive to become a union member, since there will be free-rider effects. Trade unions in decentralized collective bargaining systems are in a worse position to protect their members from job losses and trade union competition is higher. In addition, Western points out that the employer resistance against trade unions is higher in decentralized bargaining systems than in centralized (Western 1995: 186).

In other studies (Freeman 1990; Ebbinghaus/Visser 1997; Armingeon 1989) one finds the same argument using the notion of corporatist bargaining systems.<sup>3</sup> Ebbinghaus and Visser use as a causal hypothesis the resistance of employers against the recruitment efforts of trade unions and thereby follow the argument of Richard Freeman, who particularly emphasizes the role of employers in the United States (Ebbinghaus/Visser 1997; Freeman 1994). For Armingeon however, corporatist bargaining systems are an indicator for the strength of trade unions. The power of trade unions is in his view an important incentive to join trade unions, since no employee would join an organization if the association can not convince that it will achieve its aims (Armingeon 1989: 612).

In other words: in corporatist settings, both employers and governments have an interest in supporting trade union organizations more than in pluralist settings. At the same time, they are eager to ensure that these organizations are not threatened by possible competition from other trade union organizations. The mutual reinforcement of corporatist trade union organizations with monopoly representation and clear membership domains and employers and the state serves the interest of all parties involved and tends to be stable. The relationship between pluralist trade union organizations and the state was never mutually supportive, while the relationship with the employers can turn hostile more easily when the business cycle turns down.

However, one might argue that corporatist stability also potentially faces trade-offs in terms of union membership recruitment. Centralized organizations that are dominated by particular groups and hold monopoly positions on the labour market face a different market of unionization than trade unions in a pluralist setting.

First, due to their monopoly position, established trade unions do not have to fend off competitors by maintaining a high level of attractiveness for union membership. As long as revenues cover the costs of the organization and union density remains high in key companies, which are decisive for collective bargaining, absolute numbers of trade members are of secondary importance.

Second, trade unions might give low priority to new incoming groups on the labour market. Given the established patterns of membership recruitment via workplace

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<sup>3</sup> See Visser (1989) on the distinction between corporatist and pluralist organization systems, as well as the numerous comparative studies by Calmfors/Driffil (1988), Dell'Aringa (1992), Heady (1970), Schmitter (1981).

representation in already unionized plants, they might not aim at attracting minority groups, which are more expensive to recruit.

Depending on their internal organizational structure, unions might therefore choose to forego membership of specific or occupational-specific interests within the organization. Dominance of the manufacturing sector over the service sector might deter service sector workers as potential members, dominance of male and manual workers over female and non-manual workers might turn-off women from joining. From a perspective of the institutional framework of the market for unionization, industrial relations institutions provide the set up in which trade union leaders decide upon their focus of recruitment strategies. The emphasis by trade union leadership on active recruitment and the cost-benefit analysis for attracting groups that are more costly to organize is thereby conditioned by the type of institutions these organizations are in.

The implication of this reasoning is that labour market institutions can therefore work in both ways. They can stabilize trade union organizations as corporatist theories assume. But by providing monopolies, diminishing competition and securing stable workplace representation, they can also stop unions from recruiting new groups on the labour market, which in the long run might undermine their membership base.

Therefore, we should not expect, as the traditional institutionalist approaches for explaining membership patterns suggest, that strong labour market institutions *always* produce a positive effect on union membership. The implication of this argument is that strong institutions which help trade unions to retain a powerful position in their traditional market segment might not help them, or even prevent them from adjusting to the changing composition of the labour market. Due to their previous success and inertia, strong institutions protecting monopolist positions can therefore contribute to the erosion of trade unions.

### 3. Membership developments of German trade unions

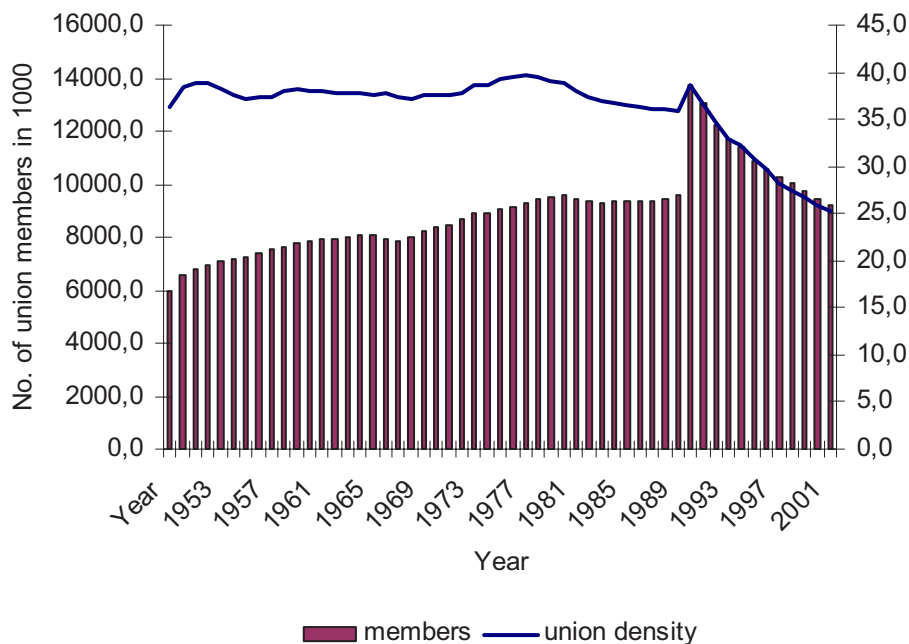
For Western Europe as a whole, the turning point in union density rates was 1980, when union density reached a peak of 50% of all employees. Since then, union density rates have decreased steadily to 35% in the year 2000 (Visser 2002, figure 1). The situation in Germany was slightly different. During the 1980s, the German unions were among the most stable organizations in Western Europe and the OECD. German unions fared well, particularly when compared to the US and the UK, where unionism declined under the attacks by the conservative Thatcher government and the Reagan administration. The peak of West German trade union membership was in 1982, at the end of the social-liberal coalition government. Membership decline was modest throughout the 1980s and in 1990 membership figures had reached the level of the early eighties once again (figure 1).

Figure 1 illustrates that reunification had a strong positive effect on union membership, both regarding membership levels and density rates. These membership gains were however temporary and built on a weak employment basis. As employment in eastern Germany declined and unemployment rose, union membership in the eastern states declined rapidly. The decline in union members in eastern Germany coincided with the beginning of membership losses in the western states. As a consequence,

even without membership losses due to reunification, German trade unions would have faced a major membership decline, although at a slower pace. Within a decade German unions lost about 10 percentage points of union density rate and about a quarter of their members. The decrease in members has been steady for almost two decades; each year the German unions lose between 2 and 3 percent of their membership.

**Figure 1: Trade union membership and density in Germany, 1958-2002**

(Source: Schröder and Weßels 2003, own calculations)



In the western European context, German trade unions have thereby become among the weakest in terms of membership (table 1). Only trade unions in Southern Europe and France have a lower employee membership. Survey data as shown in table 1 also reveal important information about the composition of trade union membership. While sectoral patterns are unfortunately not available from survey data or from other sources<sup>4</sup>, marked differences exist between status groups (white and blue collar workers) and gender groups:

- In no other country is the gender gap in union membership as wide as in Germany. In German trade unions, male union density is double the rate of female union density (28% compared to 14%). In eight countries, female union density is even higher than male unionization rates.

<sup>4</sup> With the exception of Ebbinghaus and Visser (2000), who provide membership figures (but not union density rates) for the period between 1945 and 1997.



- White collar density rates are more than a quarter lower than blue collar workers. Only Belgium and Luxembourg have a density rate of blue and white collar workers that is below the German rate, while at the same time showing better unionization rates overall.

A better understanding of how trade union membership has developed can be gained by looking at the growing and shrinking membership segments *between* member unions of the DGB and within *individual* trade unions. In both cases membership analysis highlights the massive problems of German trade unions to adjust to structural changes on the labour market. While change has accelerated over the last 15 years, membership segments have been stagnant. Unfortunately, enterprise levels of unionization are not available, nor is there information on the distribution of union members across firms and regions. The following analysis is based on membership figures that are published by trade unions at the level of industry unions.

### 3.1 Manufacturing and service sector unionism

Table 2 shows the distribution of members within the DGB at three different times. It presents the current union structure and combines the membership figures of unions that have merged. The shift between 1980 and 1994 primarily reflects the impact of reunification, when many eastern German public sector employees were added to union membership, particularly for the public sector union ver.di and the railway and education unions. The share of the major industry unions IG BCE and IG Metall thereby declined.

**Table 2: Membership Shares of DGB Trade Unions**

(Source: DGB website, Ebbinghaus 2003, own calculations)

Trade Union	2005	1994	1980
IG Bauen-Agrar-Umwelt	5.8	7.2	7.0
IG Bergbau, Chemie, Energie	11	11.2	13.2
Gewerkschaft Erziehung und Wissenschaft	3.7	3.0	2.2
IG Metall	35.1	33.1	37.4
Gewerkschaft Nahrung-Genuss- Gaststätten	3.2	3.3	3.0
Gewerkschaft der Polizei	2.6	1.9	2.0
TRANSNET	3.8	4.1	3.0
ver.di	34.8	36.0	32.0
Total	100	100	100

Note: Data on earlier years include those unions that later merged with the union represented. For instance, the share of ver.di in 1980 is the sum of members of ÖTV, DGP, IG Medien, HBV and DAG as percentage of all members of DAG and DGB.

Overall, however, table 3 shows how little has changed in the distribution of trade union members to sectoral unions, while during the same time the labour market underwent massive deindustrialization. Comparing union membership with employment patterns in table 5 reveals that the share of union members in manufacturing declined

by less than 4 percentage points over a 25 year period, while employment has declined by more than 14 percentage points. Equally, union members in service unions have increased by 6 percentage points, while employment increased by 17 percentage points.

The problem of union membership in Germany is therefore rooted in the service sector, particularly in general services. Specialized professional services such as education, police, and railways primarily focused on public services increased their share of members. However, the general service sector union ver.di, which should have been the rallying point for newly emerging service sector jobs, was not able to attract members in these areas, while at the same time manufacturing sectors were pretty stable in their membership, as will be discussed in the next section. While both big unions – IG Metall and ver.di – were racing for the title of largest German union, structural changes on the labour market towards the service economy should have turned ver.di into the natural winner. However, ver.di has not assumed this role, despite the strong corporatist industrial relations institutions in place. The continuing lack of union support among service employees is the most important aspect of the German union membership crisis.

**Table 3: Manufacturing and service sector shares in union membership and employment** (Source: Union membership, see table 2; employment, Statistisches Bundesamt, website)

		2005	1994	1980
Services	Union members	48.1	48.4	42.4
	Employment	66.4	58.9	49.4
Manufacturing	Union members	46.1	44.4	50.6
	Employment	31.0	37.8	45.3

Note: Service sector unions: ver.di, GdP, GEW, NCG, Transnet; manufacturing trade unions: IGBCE, IG Metall. The construction sector union, IG BAU, is excluded.

### ***3.2 The aging of a union – the IG Metall***

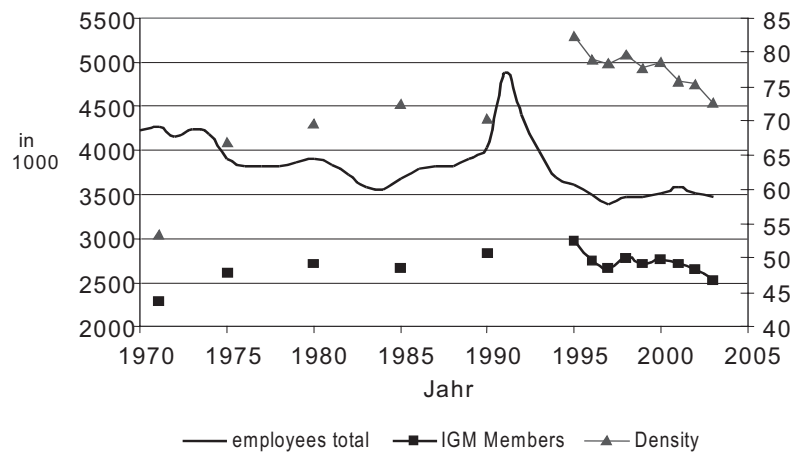
This section uses the example of the IG Metall to illustrate how trade union organizations have become encapsulated in the German industrial relations system and as an organization has almost stopped recruiting young members.

While the IG Metall lost members, as have all German unions, the loss was moderate, given the decline of employment in the metal industry. As indicated, by graph 2, membership levels of the IG Metall currently stand at approximately the level of the mid-1970s, in spite of major structural changes on the labour market. This is partly due to mergers with the smaller textile and woodworkers unions which have added about a fifth of union members to the IG Metall, and partly to the influx of eastern German metal workers in the early 1990s.

But even discounting reunification and trade union mergers, the IG Metall is not doing too badly given the fact that employment in the metal sector dropped by 20% over the same period of time. While no micro-level data on the union density rate of

IG Metall is available,<sup>5</sup> one could assume from the data available from the union and the employers' confederation that union density in the metal sector has fallen below the level of the 1970s, although not severely.<sup>6</sup>

**Figure 2: Employment, union members and union the metal industry**  
(Source: IG Metall, own calculations)



The membership problem, however, changes dramatically when taking into account the age structure of IG Metall members. Graph 3 illustrates the age structure of the IG Metall in 1979 compared to 2002. The age distribution of 1979 is characterized by the high degree of political mobilization of apprentices in the late 1970s. Workers between the age of 16 and 20 formed the biggest age cohort within the union, followed by a group in their mid-forties who likely joined the union in the 1950s. Twenty-three years later this cohort is still the largest group within the union and now forms the middle-age faction. This age group currently dominates most positions in works councils and of union officials. The overall number of union members in this cohort has, however, declined by about a third. The age distribution of 2002 compared to 1979 shows how the union membership has aged over time. The 60 to 70 year age group has increased, while that under the age of 30 has dropped to a third compared to the 1979 level. In other words, the IG Metall has stabilized its membership by successfully maintaining a cohort of members who were already members 20-25 years ago and increasing their union membership tenure. Statistically, longer tenure could make up for fewer union entrants. After the mid 1980s, the wave of young entrants petered out.

<sup>5</sup> The IMF reports a union density rate of IG Metall of 38% without naming the source (Fowler 2000).

<sup>6</sup> Graph 2 overstates density rates for the IG Metall, since it applies all members of the union to the number of employees in the metal sector without discounting retired or unemployed members or employees in other sectors such as steel, woodwork and textile industries.

**Figure 3: Age distribution of IG Metall members, 1979 and 2002**

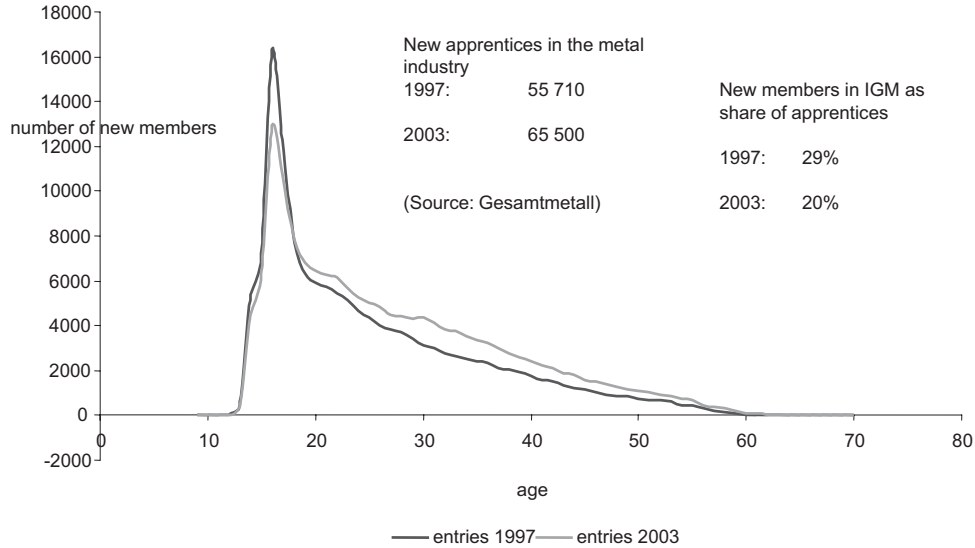
(Source: IG Metall, own calculations)



**Figure 4: Entry into IG Metall by age, 1997 and 2003 and apprenticeships**

(Source: IG Metall, Gesamtmetall, own calculations)

**Graph 4: Entry into IG Metall by age, 1997 and 2003 and apprenticeships**



When looking at those who join the IG Metall by age, we see that the largest number of new members is still found in the 16 to 20 age group and that it is also only a fraction of the numbers of the late 1970s. In 1997, 16,000 16-year-olds joined the IG Metall, compared to 90,000 in 1979. In the same year, 55,000 new apprentices were hired in the metal industry (figure 4). These figures point out the changing age

structure of the industry as a whole but also the failure of the union to recruit these young workers.<sup>7</sup>

The figures also suggest that there has been a conservation effect of union membership. A particular type of union activist, who joined the union during a particular moment of time, has become the backbone of union membership. As a result, the dominant group of members who were educated and familiarized with a certain type of trade unionism became the standard norm of West German trade unionism.

#### **4. Union monopolies as barriers to modernization**

The final section focuses on the relationship between union structure and recruitment patterns. It aims to link the membership pattern to the theoretical argument made in section 2. The section argues that the character of German trade unions as blue collar organizations rooted in the manufacturing sector is embedded in legal and institutional norms that govern the overall trade union structure. These norms have facilitated a closure process of trade unionism that now inhibits the recruitment of new groups. The section also points out the effects of recent trade union restructuring.

##### ***4.1 Maintaining membership monopolies***

The re-organization of the German trade union system after World War II rested on the principle of industrial trade unionism. Trade unions were organized along industry lines, as opposed to occupational groups or political orientations. An employee in a particular sector joins one and only one trade union. Competition between trade unions was to be avoided. The confederation, DGB, was the umbrella for 17 industrial trade unions which in principle covered the whole of the economy for both blue and white collar workers.

The monopoly was, however, challenged from the beginning. White collar organizations from the Weimar republic were re-established in the late forties. In 1957 a Christian trade union (CGB) was formed in opposition to the 'socialist' leanings of the DGB. Civil servants chose to keep their own organization DBB (Deutscher Beamtenbund). The public sector was thereby characterized by fierce competition between the DBB and the public sector union ÖTV (later ver.di). At the same time, civil servants have by far the highest union density rates (between 60 and 70%). Here the combination of two competing trade unions and a favourable environment (job security and automatic recognition) has contributed to high membership rates.

In addition to the main confederations DGB, DAG, CGB and DBB, about 130 small employee organizations developed, which in the late 1980s had a membership of about 1 percent of all trade union members.

These smaller organizations did not, however, have a chance to grow. Industrial trade unionism was strongly protected by legal and judicial forces from the start. Labour courts have protected the DGB affiliated trade unions against external competitors and against internal rivalry by conditioning the ability to conclude collective

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<sup>7</sup> Micro-level studies show that the vast majority of union members joined the union during their first years of employment. Older workers are much more unlikely to join the union (Visser 2002).

agreements on the power resources of the organization in combination with the membership domain of a particular trade union. Since small competing organizations could not frequently display sufficient power resources, labour courts tended to deny them the right to conclude collective agreements. An example is a court ruling of the Federal court against the Association of Catholic Housemaids in 1964. Courts would grant recognition only in cases where a small group of influential members had substantial power – as was the case of the steel industry's Association of Middle Managers (Verband der oberen Angestellten der Eisen- und Stahlindustrie) and the Association of Doctors, Marburger Bund (mb) (Hassel 1999a).

This legal practice provided a near monopoly of interest representation for the DGB trade unions. If a non-DGB trade union took the initiative to conclude an agreement – or an employer took the initiative to conclude an agreement with a rather weak trade union – the appropriate DGB affiliated trade union took the union to court in order to declare the agreement flawed.

German trade unions recruit their members via the institutionalized representation in the collective bargaining and works council system. They have stable contact to employers, clearly defined membership domains and stable recruitment mechanisms in core areas of industry which help reproduce their core membership.

However, this does not apply to all groups on the labour market. The tradition of the German industrial trade union is rooted in male manual workers in the manufacturing sector. They determined the interest policy of German trade unions and were able to protect their position from rivalling groups. Within the evolving mass organizations status specific or occupational specific particular interests could hardly be catered to and were generally subsumed under the interest of the semi-skilled and skilled blue collar workers.

A monopoly position combined with strong manufacturing recruitment channels gave only few incentives to trade unions to recruit minority groups. While manufacturing trade unions started membership campaigns for white collar workers during the 1980s, these campaigns did not touch the traditional workings of the unions as a whole. White collar membership in trade unions only rose during the 1970s, when the DGB trade unions were able to get a foot in the public sector door and among white collar workers for the first time. This discontinued during the 1980s and 1990s. German trade unions were not attractive to white collar workers, and the unions themselves found it difficult to establish the traditional patterns of recruitment in the service sectors.

For the unions themselves, which can rely on institutional means to reproduce their membership base, active measures to attract new or different groups on the labour market are only weakly developed. Compared to organizing drives in pluralist Anglo-Saxon countries, German unions still focus only marginally on membership recruitment (Frege and Kelly 2004).

#### ***4.2 The effects of union restructuring***

At the same time, the last two decades have seen a restructuring of German trade unions: while on the one hand trade union mergers have further minimized the degree

of competition between the DGB trade unions, the DGB monopoly is increasingly challenged from outside.

Designed as industry unions, German trade unions within the DGB were traditionally weak in services. The specific private sector service unions of the DGB, the private sector retailing, banking and insurance union (HBV) and the media union (IG Medien) were not only among the smallest but also among the poorest of the German trade unions. Service sector trade unionism was therefore dominated by the public sector and the transport trade union ÖTV, which was accompanied by specialized public service unions for education (GEW), postal services (DPG), railways (GdED) and police services (GdP). They, moreover, competed with the white collar trade union (DAG). Manufacturing trade unions on the other hand were dominated by the metal sector trade union IG Metall, which was the largest trade union by far, followed by the chemical and pharmaceutical union (IG CPK), the mining union (IG BE) and smaller unions for agriculture, leather, textile and woodworks manufacturing (GGLF, GL, GHK and GTB). The only mixed service and industry union was the food and restaurant union (NGG).

In the second half of the 1990s, a wave of union mergers fundamentally altered the landscape of trade unionism.<sup>8</sup> Trade union mergers were used as an instrument to maintain absolute membership figures, and thereby steadying revenue for the organisations (Streeck and Visser 1997). Trade union mergers took two forms. First, the number of manufacturing unions was reduced to the metal sector union IG Metall, which took over the textile workers' and woodworkers' unions, and the chemical union (IGBCE), which merged with the mining union. Second, a large service sector union emerged (ver.di) comprising the white collar union, the public sector union, the media, banking and postal workers union. Five small but specialized trade unions maintained their organizational independence. During that time, demarcation disputes between unions also arose particularly regarding new economic sectors such as IT and the environment which did not fall naturally into a membership of one of the unions. However, while the big manufacturing unions were able to maintain their overall membership share, they did not manage to break into new services sectors that were close to their core sectors.

The mergers and the trend towards super size unions have at the same time led to breakaway unions that are now more difficult to control. Doctors, pilots and air traffic controllers have set up powerful professional associations that have strong bargaining power. The Christian trade union, which is challenged primarily by the manufacturing unions in court, has made its way into such weakly organized sectors as some parts of the metal sector in Eastern Germany as well as temporary work agencies. Fringe trade unions are increasingly recognized by labour courts as independent bargaining units. Given the membership decline of the DGB trade unions, the issue of representativeness of the DGB vis-à-vis other smaller unions is increasingly questioned in legal conflicts. This puts pressure on the DGB unions to take membership recruitment far more seriously than in the past. As a consequence, the DGB executive has launched a

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<sup>8</sup> See Streeck and Visser (1997) and Ebbinghaus and Visser (2000) on trade union mergers.

general recruitment project in January 2005, which aims to coordinate the recruitment efforts at the level of the individual unions.<sup>9</sup>

### **5. Conclusion: The curse of institutional security**

The paper points to a gap in the current research on factors impacting trade union membership developments. While research has established the importance of institutional factors in cross-country comparisons, it has not dealt with organizational aspects of industry unions for membership recruitment. The paper focuses on the role of monopoly representation and the institutional security of unions provided by workplace representation. It argues that with regard to the transformation of the labour market towards a service economy, institutional security and monopoly representation of trade unions might turn previous successes into liabilities. Given an institutionally secure environment and little competition, trade union leaders have had few incentives to push for systematic organization of new groups in the labour market. Trade union mergers, which maintain union monopolies but at the same time broaden the membership scope at very low costs, were seen as superior instruments for securing a steady inflow of membership dues. These strategic choices by trade union leaders can help explain why the recruitment of marginal membership groups (in particular women) has been neglected, as well as the particularly low levels of female union density rates compared with male density.

The evidence this paper provides on the case of Germany can only serve as an illustration and should not be seen as an empirical proof for a causal relationship. Other countries with strong corporatist industrial relations institutions such as Scandinavia show different membership dynamics. These might, however, be determined by other institutional factors such as the Ghent system and differences in the social norms of female employment. The stronger occupational status of union membership, combined with a higher degree of union competition for white collar workers, might also contribute to the explanation of why female unionization rates are higher than male rates in Scandinavia. In order to pursue this line of research further, more cross country comparative studies are needed to establish a causal relationship between organizational structures of unions and their focus on group specific recruitment. These should be complemented with case studies to deepen our understanding of decision-making processes within trade unions on recruitment strategies.

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<sup>9</sup> See press release by DGB: "DGB aims for a turnaround in membership", Berlin January 26, 2006.  
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