Writing twenty years ago in the predecessor of the present volume, Hoffmann (2000) described the state of German trade unions as relatively stable. This was based on the strong institutional framework of the dual system of interest representation, with works councils at the company level and multi-employer bargaining at industry level, ensuring high collective bargaining coverage. At first sight, the union landscape today still gives an impression of strength, particularly from an international comparative perspective. Germany is home to two unions – IG Metall and Ver.di – which in terms of membership are among the largest in the world. Furthermore, unions played an essential role in securing jobs and safeguarding industries during the Great Recession in 2008/2009 and more recently in the Covid-19 pandemic. Partly as a consequence of this, Germany is still among the countries with the most positive public perception of unions in the European Union (EU) (European Commission 2019).

A closer look at developments during the past twenty years yields a more nuanced picture. The first qualification concerns membership development. The affiliates of the German Trade Union Confederation (DGB, Deutscher Gewerkschaftsbund), the largest union confederation, lost around one-fifth of their membership in the first decade of the 2000s. Unions managed to halt – and in some cases reverse – the loss of membership after 2010, however. The Covid-19 pandemic has recently led again to a somewhat greater loss of membership (Specht 2022). Overall, net union density has decreased by almost 10 percentage points during the past twenty years to around 16 per cent (see Table 12.1), which has considerably weakened the unions’ organizational strength.
Moreover, the employers’ weakening support for or even resistance to core institutions of German industrial relations represents a major challenge to the unions’ institutional power resources. The employers’ increasing reluctance to engage in industry-level collective bargaining has contributed to the decentralization, fragmentation and ultimately erosion of collective bargaining. As a consequence, collective bargaining coverage has decreased substantially, from 68 per cent in 2000 to 51 per cent in 2020.

Furthermore, the principal features of the German industrial relations model and its impact on unions differ considerably by industry and even region. It is therefore an oversimplification to speak of the German unions as an entity, treating them as a homogenous actor. On the contrary, there is a growing divergence which has led to a growing polarization of different worlds of industrial relations and unionism within Germany (Hassel and Schroeder 2018). At one end of the spectrum are the export-oriented industries and the public sector, where the traditional features of the German industrial relations system are still largely in place: strong collective actors on both sides of industry, industry-level collective agreements and a strong presence of works councils. At the other end, large parts of the services and crafts sector and, from a regional perspective, eastern Germany are characterized by a far-reaching erosion of the traditional model of German industrial relations more generally and union presence more specifically. The remainder of this chapter analyses the multi-faceted challenges to unions and their responses in trying to adapt to a changing world of work.
The development of industrial relations is closely linked to the specific German variant of ‘Rhenish capitalism’ (Albert 1993), which is traditionally based on strong political and societal support for the concept of the ‘social market economy’ (Müller-Armack 1947). According to this originally ‘ordoliberal’ concept, the state defines the rules of the game to ensure competitive markets, while at the same time supporting a dense network of institutions and civil society actors in generating ‘most of the regulations and collective goods that circumscribe, correct and underpin the instituted markets of … the social market economy’ (Streeck 1997: 39). German industrial relations have been characterized as a system of ‘conflictual partnership’ (Konfliktpartnerschaft) (Müller-Jentsch 1999), whereby class conflict is embedded in a wide range of legally backed institutions that enable and constrain the unions’ and employers’ capacity to act. Its most important feature is the so-called ‘dual system of interest representation’, comprising collective bargaining, which takes place mainly at industry level, and worker representation at the company and workplace level.

### Table 12.1 The principal characteristics of trade unionism in Germany

<table>
<thead>
<tr>
<th></th>
<th>1991</th>
<th>2000</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total trade union membership</td>
<td>13,748,600</td>
<td>9,330,000***</td>
<td>7,448,567</td>
</tr>
<tr>
<td>Women as a proportion of total membership*</td>
<td>33 %</td>
<td>32 %</td>
<td>34 %</td>
</tr>
<tr>
<td>Gross union density</td>
<td>38 %</td>
<td>25 %</td>
<td>n.a.</td>
</tr>
<tr>
<td>Net union density</td>
<td>36 %</td>
<td>25 %***</td>
<td>16 %</td>
</tr>
<tr>
<td>Number of confederations</td>
<td>4</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Number of affiliated unions (federations)</td>
<td>n.a.</td>
<td>n.a.</td>
<td>DGB: 8</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>DBB: 40</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>CGB: 13****</td>
</tr>
<tr>
<td>Number of independent unions</td>
<td>n.a.</td>
<td>n.a.</td>
<td>6 (2018)</td>
</tr>
<tr>
<td>Collective bargaining coverage</td>
<td>85 %**</td>
<td>68 %</td>
<td>51 %</td>
</tr>
<tr>
<td>Principal level of collective bargaining</td>
<td>Industry</td>
<td>Industry level but increasing importance of company level</td>
<td></td>
</tr>
<tr>
<td>Days not worked due to industrial action per 1,000 workers</td>
<td>11</td>
<td>0</td>
<td>9</td>
</tr>
</tbody>
</table>

Note: * data available only for DGB-affiliated unions; **1990; ***2001; ****2018.

Source: Appendix A1.

**Historical background and principal features of the industrial relations system**

The development of industrial relations is closely linked to the specific German variant of ‘Rhenish capitalism’ (Albert 1993), which is traditionally based on strong political and societal support for the concept of the ‘social market economy’ (Müller-Armack 1947). According to this originally ‘ordoliberal’ concept, the state defines the rules of the game to ensure competitive markets, while at the same time supporting a dense network of institutions and civil society actors in generating ‘most of the regulations and collective goods that circumscribe, correct and underpin the instituted markets of … the social market economy’ (Streeck 1997: 39). German industrial relations have been characterized as a system of ‘conflictual partnership’ (Konfliktpartnerschaft) (Müller-Jentsch 1999), whereby class conflict is embedded in a wide range of legally backed institutions that enable and constrain the unions’ and employers’ capacity to act. Its most important feature is the so-called ‘dual system of interest representation’, comprising collective bargaining, which takes place mainly at industry level, and worker representation at the company and workplace level.
level. The principal idea behind this arrangement is to keep distributional conflicts between capital and labour out of day-to-day labour relations at company level. In light of their far-reaching participation rights and opportunities, unions usually follow a more cooperative attitude of ‘partnership’ but from a position of strength, which always allows them to change to a more confrontational strategy and to take industrial action.

The most important legal basis of industrial relations is Article 9(3) of the German Constitution (Basic Law), which guarantees freedom of association and thus the autonomy of trade unions and employers in regulating employment conditions (Tarifautonomie or ‘free collective bargaining’). The German constitution therefore largely excludes direct state intervention in determining terms and conditions of employment and guarantees far-reaching regulatory competences of the two sides of industry. By defining distinct arenas for the autonomous regulation of the employment relationship, legislation also underpins the dual structure of employee interest representation as the most fundamental feature of industrial relations. The legal basis of collective bargaining is the Collective Agreements Act of 1949 (TVG, Tarifvertragsgesetz) and employee representation at workplace level is based on the Works Constitution Act (BetrVG, Betriebsverfassungsgesetz), which was first introduced in 1952 and substantially amended in 1972 and 2001. These two laws establish a formal division of labour between unions, which, as a rule, negotiate collective agreements with employers’ associations at industry level, and works councils, which are statutory, non-union bodies elected to represent employees in the workplace.

The broad-based nature of trade unions and employers’ associations is reflected in their organizational principle, which as a rule follows an industrial logic. Interest representation on the employers’ side rests on three pillars: chambers of industry and commerce (Industrie- und Handelskammern), business associations, and employers’ associations (Jacobi et al. 1998; Schröder and Weßels 2017). The key industrial relations actors on the employers’ side are the employers’ associations because they negotiate collective agreements with trade unions. The Confederation of German Employers’ Associations (BDA, Bundesvereinigung der Deutschen Arbeitgeberverbände) is the national peak-level organization, comprising forty-eight national industry associations and fourteen regional cross-industry associations. Like the DGB on the union side, the BDA is not directly involved in negotiating collective agreements. Negotiations are undertaken by its industry-level affiliates. The employers’ association density rate is remarkably stable over time and
with 68 per cent in 2018 (OECD and AIAS 2021) substantially higher than union density. In order to stabilize membership levels about half of German employers’ associations introduced a special so-called ‘OT membership’ (Behrens and Helfen 2019). ‘OT’ stands for ohne Tarif, which means membership without being bound by a collective agreement. This essentially gives employers the opportunity to remain a member of the association without having to apply an industry-level agreement signed by the respective employers’ association. There is little information about the actual uptake of this kind of special membership. Evidence from the metalworking industry, however, shows that the proportion of companies making use of OT membership increased from 24 per cent in 2005 to 52 per cent in 2017 (Schulten 2019).

For most of the post-war period, industrial relations enjoyed a high degree of stability. In the past twenty years, however, they have come under increasing pressure. While formally the legal framework governing the dual system of interest representation remained largely unchanged, below the surface, the employers’ waning support for ‘confictual partnership’ and its two main institutional pillars – works councils and industry-level collective bargaining – has considerably undermined the unions’ institutional power resources. At the heart of the unions’ capacity to act, however, is their own organizational strength. The principal political and economic features have also changed considerably. Liberalization and deregulation in social and labour market policy have led to a weakening of social and employment protection and to a strong increase in precarious employment, representing a major challenge for union organizing. Unions have also been faced with a fundamental shift in the economic and employment structure, resulting from the tertiarization of the economy, the twin challenge of the green and digital transitions and the increasing liberalization and privatization of the public sector.

Structure of trade unions and union democracy

After the Second World War, trade unions were reconstituted as unitary, non-partisan and industrial organizations (Einheits- und Industriegewerkschaft) which are, as a rule, affiliated to the DGB. This means that unions are not affiliated to or financed by any political party and that they, in principle, organize all workers in one industry irrespective of their status, profession and political or ideological orientation. The principle of industrial unionism finds its clearest expression in the slogan: ‘one company, one union’. The primary purpose of these
organizational principles is to avoid political divisions and inter-union demarcation conflicts about organizing members and collective bargaining responsibilities. The principle of industrial unionism, however, has never been implemented in its pure form. Already in the early stages of the reconstitution of the German union movement, there were three organizations besides the DGB that organized workers on the basis of status or ideological orientation. These were: the German Salaried Employees’ Union (DAG, Deutsche Angestelltengewerkschaft), established in 1945, the German Civil Service Federation (DBB, Deutscher Beamtenbund und Tarifunion), founded in 1950, and the Christian Trade Union Confederation (CGB, Christlicher Gewerkschaftsbund), established in 1955.

Today, the union landscape consists of three confederations, their sixty-four affiliates and fourteen independent professional unions which, at the end of 2020, together represented more than 7.5 million employees (Table 12.2). By far the largest of the three confederations is the DGB

<table>
<thead>
<tr>
<th>Table 12.2</th>
<th>Trade union structure and membership, 2001, 2010 and 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Deutscher Gewerkschaftsbund (DGB)</strong></td>
<td>7,899,000</td>
</tr>
<tr>
<td><strong>German Trade Union Confederation</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Eight DGB affiliates:</strong></td>
<td></td>
</tr>
<tr>
<td>Industriegewerkschaft Metall (IG Metall) German Metalworkers’ Union</td>
<td>2,710,000</td>
</tr>
<tr>
<td>Vereinte Dienstleistungsgewerkschaft (Ver.di) United Services Union</td>
<td>2,807,000</td>
</tr>
<tr>
<td>Industriegewerkschaft Bergbau, Chemie, Energie (IG BCE) Mining, Chemicals and Energy Industrial Union</td>
<td>862,000</td>
</tr>
<tr>
<td>Industriegewerkschaft Bauen-Agrar-Umwelt (IG BAU) Building, Agriculture &amp; Environmental Workers’ Union</td>
<td>510,000</td>
</tr>
<tr>
<td>Gewerkschaft Erziehung und Wissenschaft (GEW) Union of Education and Science</td>
<td>268,000</td>
</tr>
<tr>
<td>Gewerkschaft Nahrung-Genuss-Gaststätten (NGG) Food, Tobacco, Hotel &amp; Allied Workers Union</td>
<td>251,000</td>
</tr>
<tr>
<td>Eisenbahn- und Verkehrsgewerkschaft (EVG) Railway and Transport Union</td>
<td>306,000</td>
</tr>
<tr>
<td>Gewerkschaft der Polizei (GdP) Trade Union of the Police</td>
<td>185,000</td>
</tr>
</tbody>
</table>
### Table 12.2 Continued

<table>
<thead>
<tr>
<th>Union</th>
<th>2001</th>
<th>2010</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deutscher Beamtenbund und Tarifunion (dbb)*</td>
<td>1,211,000</td>
<td>1,280,000</td>
<td>1,312,000</td>
</tr>
<tr>
<td>German Civil Service Association</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>40 affiliates – Main DBB affiliates:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Verband Bildung und Erziehung (VBE)</td>
<td>164,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education and Training Association</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deutsche Polizeigewerkschaft (DPolG)</td>
<td>94,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>German Police Union</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Komba Gewerkschaft (komba)</td>
<td>90,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local authority union</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deutscher Philologenverband (DPhV) German Philologists’ Association</td>
<td>90,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deutsche Steuergewerkschaft (DStG)</td>
<td>70,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>German Tax Trade Union</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gewerkschaft der Sozialversicherung (GdS)</td>
<td>42,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade Union for Social Security</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gewerkschaft Deutscher Lokomotivführer (GDL)</td>
<td>33,000</td>
<td>33,000</td>
<td>34,000</td>
</tr>
<tr>
<td>German Train Drivers’ Union</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kommunikationsgewerkschaft DPV (DPVKOM)</td>
<td>27,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communications Trade Union DPV</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Christlicher Gewerkschaftsbund Deutschlands (CGB)*</td>
<td>n.a.</td>
<td>275,000</td>
<td>280,000</td>
</tr>
<tr>
<td>Christian Trade Union Confederation of Germany (fourteen affiliates)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Independent professional trade unions*</td>
<td>220,000</td>
<td>255,000</td>
<td>286,000</td>
</tr>
<tr>
<td>Marburger Bund (MB)</td>
<td>70,000</td>
<td>106,000</td>
<td>128,000</td>
</tr>
<tr>
<td>Union of Salaried Medical Doctors</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deutscher Journalisten-Verband (DJV) German Journalists’ Association</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deutscher Bankangestellten-Verband (DBV)</td>
<td>21,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>German Association of Banking Staff</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unabhängige Flugbegleiter Organisation (UFO)</td>
<td>13,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Independent Flight Attendants’ Organization</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vereinigung Cockpit (VC)</td>
<td>9,600</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cockpit Association</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gewerkschaft der Flugsicherung (GdF)</td>
<td>3,800</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Union of Air Traffic Controllers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In total</td>
<td>9,330,000</td>
<td>8,003,252</td>
<td>7,728,167</td>
</tr>
<tr>
<td>Net union density</td>
<td>23.7 %</td>
<td>18.9 %*</td>
<td>16.3 %**</td>
</tr>
</tbody>
</table>

Note: *Data for 2018; **data for 2019.

Source: DGB (2021), Dribbusch and Birke (2019); OECD and AIAS (2021).
with 5.8 million members, followed by the DBB with 1.3 million members and the CGB with 270,000 members.

Until 1989 the German trade union structure remained remarkably stable. The DGB originally had sixteen affiliates and this composition remained almost unchanged during the first forty years after its establishment in 1949. The union landscape changed, however, through mergers.

### Table 12.3 Union mergers since 1989

<table>
<thead>
<tr>
<th>Year</th>
<th>Merging trade unions</th>
<th>New trade union</th>
</tr>
</thead>
</table>
| 1989   | IG Druck und Papier (IG DruPa)  
Printing and Paper Union  
Gewerkschaft Kunst (GK)  
Arts Union            | IG Medien Media Union                     |
| 1996   | IG Bau-Steine-Erden (IG BSE)  
Construction Workers’ Union  
Gewerkschaft Gartenbau, Land- und Forstwirtschaft (GGLF)  
Agriculture and Forestry Union | IG Bauen-Agrar-Umwelt (IG BAU)  
Building, Agriculture & Environmental Workers’ Union |
| 1997   | IG Chemie-Papier-Keramik (IG CPK)  
Chemical, Paper and Ceramics Industry Union  
IG Bergbau und Energie (IG BE)  
Miners’ Union  
Gewerkschaft Leder (GL)  
Leather Workers’ Union | IG Bergbau, Chemie, Energie (IG BCE)  
Mining, Chemicals and Energy Industrial Union |
Metalworkers’ Union  
Gewerkschaft Textil-Bekleidung (GTB) (1998)  
Textil and Clothing Workers’ Union  
Gewerkschaft Holz und Kunststoff (GHK) (2000)  
Wood and Plastics Union | IG Metall  
German Metalworkers’ Union |
| 2001   | Gewerkschaft Öffentliche Dienste, Transport und Verkehr (ÖTV)  
Public Services, Transport and Traffic Union  
IG Medien Media Union  
Deutsche Postgewerkschaft (DPG)  
German Postal Workers’ Union  
Gewerkschaft Handel, Banken und Versicherungen (HBV)  
Retail, Banking and Insurance Workers’ Union  
Deutsche Angestellten Gewerkschaft (DAG)  
German Salaried Employees’ Union | Vereinte Dienstleistungsgewerkschaft (Ver.di)  
United Services Union |
that took place mainly in the second half of the 1990s, which halved the number of DGB affiliates from seventeen in 1989 to eight in 2010 (see Table 12.3).

Two mergers are particularly noteworthy: first, the amalgamation between the DGB-affiliated Transnet and the DBB-affiliated Union of Civil Servants within German Rail (GDBA, Verkehrsgewerkschaft Deutscher Bundesbahnbeamten und Anwärter (GDBA) Union of civil servants within German Rail) in railways in 2010. This was the first merger of unions from two competing confederations (Keller 2012). Second, because of the sheer size of the newly created organization, in 2001 the merger of five service sector unions to form Ver.di as one united service sector union covering both private and public services (Keller 2001; Waddington et al. 2005). With 2.8 million members in 2001, Ver.di not only was the largest individual DGB affiliate, surpassing even IG Metall with 2.7 million members at the time, but in the whole Western world.

The union mergers prompted the ‘rise of conglomerate unions’ (Streeck and Visser 1997), which extend their organizational domains to various industries. IG Metall, for instance, has its main constituency in metal manufacturing, including the automobile industry as its organizational stronghold. IG Metall also covers steel, textiles and wood processing, however. Ver.di is even more diverse and represents, apart from the public sector, about 200 industries in private services (Dribbusch and Birke 2019; Dribbusch et al. 2018). The emergence of conglomerate, or multi-industry, unions which, particularly in the case of Ver.di, represent ‘mini-DGBs’ within the DGB, changed power relationships between the confederation and its affiliates. The two largest affiliates, IG Metall and Ver.di, which today have about 2 million members each, together represent around 70 per cent of all DGB union members. The DGB’s already relatively weak position in relation to its affiliates was further weakened.

### Table 12.3 Continued

<table>
<thead>
<tr>
<th>Year</th>
<th>Merging trade unions</th>
<th>New trade union</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>Gewerkschaft Transport, Service and Netze (Transnet) Transport, Service and Networks Union Verkehrsgewerkschaft Deutscher Bundesbahnbeamten und Anwärter (GDBA) Union of civil servants within German Rail</td>
<td>Eisenbahn- und Verkehrsverwaltung (EVG) Railway and Transport Union</td>
</tr>
</tbody>
</table>

Source: Authors’ own compilation based on Waddington et al. (2005) and Keller (2012).
and largely restricted to representational matters and political lobbying (Müller and Wilke 2014). The DGB, for instance, does not negotiate collective agreements. DGB affiliates organize workers, are active at the workplace and are engaged in collective bargaining and industrial action. The DGB, furthermore, is financially dependent on its affiliates, which, according to the DGB statutes, finance the DGB by transferring 12 per cent of their annual income from membership fees to the DGB (DGB 2018). Internally, the DGB coordinates cross-industrial policies and mediates between affiliates in the case of inter-union conflicts about the representation of members and collective bargaining responsibilities (Schroeder and Greef 2014).

Germany has also seen a certain revival of occupational unions that, with the exception of the DBB-affiliated German Train Drivers’ Union (GDL, Gewerkschaft Deutscher Lokomotivführer) do not belong to any of the three confederations (Keller 2018; Schröder et al. 2011). Most of them have transformed themselves from occupational associations with mainly lobbying and servicing functions to real unions with collective bargaining competences (Dribbusch et al. 2018; Schroeder and Greef 2014). The renaissance of professional unions took place in industries such as health care, rail and air traffic which all share certain facilitating characteristics: they were confronted with far-reaching changes by liberalization and privatization of services, which negatively affected wages and working conditions and threatened the status of the professional group represented by these organizations. Furthermore, all organizations felt that the particular interests of their membership were no longer adequately represented by the larger and more encompassing DGB unions. All five occupational unions had the necessary organizational power resources and capacity to mobilize their members to force reluctant employers to negotiate an agreement with them. Their organizational strength is based on high union density facilitated by organizing fairly homogenous professional groups with high labour market power because of their scarce qualifications, which are indispensable for the provision of essential goods and services and cannot easily be substituted (Dribbusch and Birke 2019; Keller 2018; Schroeder and Greef 2014). While employers are often worried about the German system being affected by the ‘British disease’ of the 1960s and 1970s, with many strong and strike-prone occupational unions (Keller 2018), the emergence of professional unions has been limited to certain industries with specific conditions.
Total DGB membership reached its all-time high of almost 12 million members after German re-unification in 1991 following the integration of East German union members, only to slump shortly afterwards (Dribbusch et al. 2018). The reasons for the sharp decline in the East in the 1990s include job losses as a result of privatization, deindustrialization and the end of the construction boom, decreasing labour market participation of women, early retirement of older employees, the disappearing of large enterprises and the parallel emergence of SMEs (Ebbinghaus and Göbel 2014). DGB membership dropped for the first time below the 6 million mark in 2007. The rate of membership decline decreased, however: whereas between 2001 and 2010 the DGB lost more than 20 per cent of its members, this rate was 5.5 per cent between 2010 and 2020. Of the three confederations, DBB was the only one whose membership has increased over the past twenty years (see Table 12.2), reflecting the stable employment situation among civil servants (Dribbusch and Birke 2019).

The aggregate figures for the DGB mask very different membership developments among its affiliates. First, there are the police union Gdp and the education union GEW (Gewerkschaft Erziehung und Wissenschaft), which managed to increase their membership. Second, there are IG Metall and the food workers’ union NGG (Gewerkschaft Nahrung-Genuss-Gaststätten), which have consolidated their membership and considerably decreased the rate of membership decline. The third category comprises the remaining four unions, Ver.di, IG BCE, the railway and transport union EVG (Eisenbahn- und Verkehrs gewerkschaft) and in particular the construction workers’ union IG BAU (Industriegewerkschaft Bauen-Agrar-Umwelt), all still struggle with considerable membership losses. In contrast to the DGB-affiliated industrial unions, the smaller professional unions have continuously increased their membership. Nevertheless, overall net union density dropped from 23.7 per cent in 2001 to 16.3 per cent in 2020.

Reasons for the negative long-term trend in union membership are manifold. First, changes in the economic structure involving the deindustrialization and tertiarization of the economy with a substantial shift in employment from union strongholds in manufacturing to the private services sector. A large part of IG BCE’s continued membership decline, for instance, can be explained with the phasing-out of the coal industry.
Second, there is the growing importance of employment patterns hampering unionization. This involves the increase in atypical employment forms, widespread in the private service sector, and the growing importance of smaller establishments without union presence or works councils. The key reason for employees to join a union is direct contact with unions in the workplace (Behrens 2009; Dribbusch 2003). Whereas in large-scale industries, such as metalworking and chemicals, unions are generally well represented on works councils and among employees, establishing a presence in the private service sector is much more difficult because workers are more likely to be spread across a large number of often very small workplaces. Rationalization, restructuring and outsourcing of service operations, however, also led to the shrinking or disappearance of large establishments in manufacturing, negatively affecting membership of the manufacturing unions IG Metall and IG BCE. Finally, privatization of formerly state-owned companies, such as Deutsche Bahn, Deutsche Post and Deutsche Telekom, led to substantial job cuts, negatively affecting membership developments in EVG and Ver.di organizing in railways and in postal and telecommunication services, respectively. Ver.di’s more fundamental problem, however, is that

**Figure 12.1** Proportion of female members in German unions (%), 2001 and 2020

![Proportion of female members in German unions](source: DGB (2021)).

membership gains in some industries, such as health care and social and
educational services, could not compensate the continuing membership decline in areas such as public administration and retail (Dribbusch and Birke 2019: 11).

Disaggregating union membership figures illustrates another fundamental problem: the membership structure no longer matches the current employment structure. For instance, the increasing labour market participation of women over the past twenty years is not reflected in the structure of union membership (Hassel and Schroeder 2019). While the female employment rate increased by more than 13 percentage points – from 58.8 per cent in 2001 to 71.9 per cent in 2020 (Destatis 2021), the overall proportion of women in unions increased only marginally from 31.7 per cent in 2001 to 34.1 per cent in 2020 (see Figure 12.1). The only DGB-affiliate which substantially increased its share of female members from 13.5 per cent in 2001 to 27.8 per cent in 2020 is IG BAU due to the growth in the female-dominated cleaning industry and the simultaneous decline of membership in the male-dominated construction industry (Hassel and Schroeder 2019). Overall, the share of women in the unions’ membership reflects the industry-specific differences in female labour market participation. Given the higher proportion of female employees in their industries, the proportion of female members in GEW, Ver.di and NGG is much higher than in the traditionally male-dominated manufacturing unions, such as IG Metall and IG BCE.

Unions also face the problem that membership tends to be ‘over-aged’ and younger workers are significantly underrepresented (Biebeler and Lesch 2015; Lesch and Winter 2021). As a result of demographic developments, unions have to recruit more and more members every year just to keep their level of organization constant. Furthermore, unions are also underrepresented among white-collar workers, especially among those with an academic background; they also have significant problems organizing the more precarious workers in the services industries.

Unions responded to these representation gaps with new strategic membership policies to become more attractive and relevant for traditionally underrepresented worker categories. A stronger focus on campaign-based organizing methods involves participation-oriented forms of action designed to involve (potential) members in the building of union structures (Dribbusch and Birke 2019). Ver.di, for instance, links organizing initiatives with a more confrontational style of collective bargaining. The idea behind the concept of ‘organizing through conflict’
(Kocsis et al. 2013) is to use a collective conflict situation in which there is a greater necessity for workers to act in unity to achieve their objectives to mobilize and organize employees. This strategy has been successfully applied in social and child care services. A variant of this strategy is Ver.di’s concept of ‘conditional’ collective bargaining (*bedingungsgebundene Tarifpolitik*), which is mainly aimed at individual companies and establishments without collective bargaining and poor unionization. This strategy implies that Ver.di will start negotiating an agreement only if enough workers join the union beforehand so that there is a realistic chance of success in a dispute over a collective agreement. This strategy has proven to be successful in a number of privatized hospitals, which contributed to the positive membership development in the health sector (Dribbusch and Birke 2019).

IG Metall has pursued similar campaign-based and participation-oriented strategies by starting campaigns for whole industries or groups of employees. In 2008, IG Metall started a temporary agency work campaign with the slogan ‘Equal work – equal pay’, with the aim of directly approaching the temporary agency workers to unionize them and to improve their conditions by ensuring that they get the same pay as the workers of the hiring company.

In 2015, IG Metall started a comprehensive organizing campaign with several regional and local projects based on a budget of €170 million used to employ 140 organizers who in cooperation with local union activists targeted specific companies (Schroeder and Fuchs 2019). The aim of these union development projects was not just to recruit new members but also to initiate a cultural and organizational change to help the union to tailor its activities and services to workers’ needs and interests. Another element of the strategy to foster more participation-oriented forms of action are membership and employee surveys to capture the preferences and interests of (potential) members. In 2017, a broad-based employee survey was conducted in preparation for the 2018 bargaining round to gauge the actual interests of the rank-and-file; to foster more ownership of the demands; to improve the capacity to mobilize the membership; and finally to strengthen the legitimacy of the demands vis-à-vis employers and government (Hassel and Schroeder 2018).

Ver.di and IG Metall also intensified their activities for solo self-employed and, in particular, for platform workers by opening up membership for this category of workers and by providing specific services, setting up online platforms for the solo self-employed (Vandaele 2021).
More recently, in 2019 IG Metall cooperated with the YouTubers Union, a self-organized group of professional content creators, in a joint campaign labelled ‘FairTube’ to make YouTube’s algorithmic management and cash nexus fairer and more transparent (Vandaele 2021).

**Union resources and expenditure**

Writing about union finances is a difficult task. Although unions such as IG Metall and Ver.di are very transparent in their activity reports, most unions stopped reporting financial information in their activity reports at the beginning of the 2010s or never did so in the first place. The financial organization of unions is also very complex, covering different areas that are organized in different legal entities with separate budgets. At the most general level one can distinguish the political area that covers the unions’ day-to-day activities from the trustee activities that cover real estate and property management. At IG Metall, for instance, there are two further areas with separate budgets: first, a non-profit area dealing with the promotion of youth welfare and international cooperation, as well as links with science and research; and second, investments in companies that provide different kinds of services for IG Metall members and third parties that go beyond the services defined in the statutes (IG Metall 2019a: 268). Publicly available data refers almost exclusively to the first area of political activities and varies widely across unions.

This section therefore deals with the political activities of unions as defined in their statutes and deals mainly with developments at IG Metall and Ver.di. Where data is available developments in the DGB will also be referred to in order to illustrate the financial link with its affiliates.

In principle, unions mainly finance their day-to-day activities through membership fees. For example, the share of DGB income received from its affiliates is around 90 per cent of total income. The rest of its income comes from interest payments and ‘other’ income, which is not further specified. The DGB does not charge membership fees. It receives 12 per cent of the membership income of each of its eight affiliates. The individual unions’ membership fee as a rule is 1 per cent of the members’ monthly gross wage, although IG BAU charges 1.15 per cent and GEW and GdP – both organizing in the public sector – charge less than 1 per cent. All unions have to varying degrees reduced fees for members who receive social security benefits, such as the unemployed and pensioners.
Most unions also specify a minimum fee, applying mainly to students, members who are temporarily on parental leave and junior staff. In absolute terms the income of IG Metall and Ver.di is much larger than that of the DGB. In 2012, for instance, the last year for which data for all three organizations is publicly available, the income of the DGB was €164 million compared with IG Metall with €496 million and Ver.di with €423 million. Put differently, the contributions of the two largest affiliates account for two-thirds of the DGB’s total income.

Between 2002 and 2010, membership decline in IG Metall and Ver.di negatively affected their income. After 2010, however, membership and income development diverged as both unions managed to increase their income considerably despite more or less stagnating membership. Between 2011 and 2018, Ver.di’s total income increased by 13 per cent from €415.3 to €471 million and IG Metall’s total income by 28 per cent from €480 to €614.4 million (IG Metall 2012, 2019a; Ver.di 2012, 2019). This is because both unions managed to halt the rapid decline in membership, while the particularly sharp income increase in IG Metall is because of the disproportionately strong increase in members who pay the full fee of 1 per cent of the monthly gross wage (IG Metall 2012, 2019a). The second main reason for the rise in income is the wage increases ensured by collective agreements. Because membership fees are directly linked to members’ gross wage, any collective agreed wage increase also increases the union’s income (IG Metall 2019a; Ver.di 2019).

The allocation of income from membership fees across the different levels and functional units of the organization is usually specified in the statutes or budgetary guidelines, which vary considerably from union to union. At IG Metall, for instance, the statutes clearly outline that local branches should receive: (i) a base amount not linked to membership fees; (ii) 20 per cent of the membership fees paid by the members who pay the 1 per cent fee in their organizational domain; (iii) 30 per cent of the membership fees paid by the members who pay a reduced membership fee (IG Metall 2019b). To strengthen branches’ capacity to act and to create a level playing field between ‘strong’ and ‘weak’ branches, IG Metall has also set up regional structural funds. Further support for ‘weak’
branches is provided via IG Metall’s project ‘Presence on the ground’ (*Präsenz in der Fläche*), initiated in 2017 to strengthen its local structures. The income allocated to local branches was increased from €156.9 million in 2002 to €214.2 million in 2018 (IG Metall 2019a). Because IG Metall’s total income has also increased considerably, the local branches’ share in total income remained stable at 35 per cent.

Figure 12.2 illustrates that, in 2018, the largest share of IG Metall’s total expenditure is allocated to local branches, followed by almost 27 per cent spent on administrative costs, of which personnel costs, (legal) fees as well as rents are the largest items. Personnel costs account for two-thirds of administrative costs and approximately 18 per cent of total expenditure. A bit more than 10 per cent was spent on ‘trade union tasks’, comprising expenditure for day-to-day union activities, such as union training centres, shipping costs for union documents, costs of training
courses, travel expenses and printing costs. ‘Support services’ covers the union’s financial support for members, such as in the case of industrial action. This category of expenditure can vary considerably and depends heavily on strike frequency.

Over time, the various shares of total expenditure have remained remarkably stable, while in absolute terms the money spent on each category has increased considerably because of the increase in total income. Some expenses are fixed according to the statutes. This includes ‘contributions to organizations’ because, according to the DGB statutes, IG Metall has to pay 12 per cent of its income from membership fees to the DGB. This amounts to 10.4 per cent of overall expenses. The remaining 0.4 per cent in this category are contributions to European and international union federations. Furthermore, IG Metall statutorily puts aside 15 per cent of its income from membership fees to ensure that it can fulfil statutory tasks in the future. This amounts to 13 per cent of total expenditure: it sets aside funds for company and collective bargaining disputes and provides a pension scheme for its employees (IG Metall 2019a). In 2018, IG Metall employed 2,631 people. The local branches account for half of IG Metall’s employees. A fifth work at the union’s headquarters in Frankfurt, while the union’s training centres and regional offices account for 10 and 8 per cent of overall employment, respectively (IG Metall 2019a).

The DGB spends the largest share – around 40 per cent – of its expenditure on the provision of legal advice and representation in court for the almost 6 million union members. For this purpose the DGB established a subsidiary company, DGB Rechtsschutz GmbH, which employs more than 700 people in more than 100 offices across Germany. This does not mean that the affiliates do not provide legal support to their members, but the provision of legal advice to all union members is a statutory task of the DGB. The second largest share of the DGB budget – around 30 per cent – goes on personnel costs for the roughly 800 employees, almost a quarter of whom work at DGB headquarters in Berlin.

**Collective bargaining and unions at the workplace**

Collective bargaining at industry level and worker participation at company and establishment level are the central pillars of the traditional dual channel of interest representation. They represent two distinct
arenas with a clear formal division of labour between trade unions, which conclude collective agreements with employers’ associations or individual employers, and works councils, which represent the employees’ interest within companies and establishments through a multi-level system of information, consultation and codetermination rights. Works councils, which can be set up in establishments with more than five employees, are allowed to conclude only so-called ‘works agreements’ (Betreibervereinbarung), which ‘may not deal with remuneration and other conditions of employment that have been fixed, or are normally fixed, by collective agreement’. Furthermore, works councils are obliged to work with management ‘in a spirit of mutual trust for the good of the employees and of the establishment’.

Despite this formal legal separation between trade unions and works councils, there are close ties of mutual dependency between the two, both personally and functionally. Although works councils are not genuine union bodies, the majority of works councillors are union members (Emmler and Brehmer 2019). In practice, works councillors fulfil important union functions at the company and workplace level, such as monitoring compliance with collective agreements and recruiting new union members. They are also often ex officio union lay officials actively involved in internal union policymaking and members of union collective bargaining committees (Tarifausschuss), which formally decide the union’s demands in negotiations and have to approve new collective agreements. Unions, in turn, provide training and legal advice for works council members (Jacobi et al. 1998).

In addition to representation at workplace level, there is a system of board-level employee representation based on the 1976 Codetermination act (MitbestG, Mitbestimmungsgesetz), which in companies with at least 2,000 employees entitles employee representatives to 50 per cent of the seats on a company’s supervisory board. In smaller companies, with 500–2,000 employees, the BetrVG provides for one-third employee representation on supervisory boards. Even though employee representatives do not have the majority of votes, board-level representation gives the employees’ side privileged access to strategic information and therefore some influence over management decisions.

In the past, this dual system has ensured a high degree of stability and provided unions with institutional power resources to regulate the employment relationship. Over the past 20 years, however, both pillars of the dual system have experienced processes of erosion and geographical
and industrial fragmentation, not only weakening unions’ capacity to act but also increasingly blurring the division of labour between unions and works councils (Müller and Schulten 2019a). Today, broad-based collective actors on both sides of industry, which ensure both high bargaining and works council coverage, are restricted to core areas of the public sector and western German manufacturing industry, with the automotive and chemical industries as its core.

According to data provided by the Establishment Survey of the Institute of Employment Research of the German Federal Employment Agency (IAB), Germany has experienced a dramatic decline in collective bargaining coverage, from 74 per cent in 1998 to 51 per cent in 2020 (see Figure 12.3). There are considerable regional differences, however, with coverage being traditionally more than 10 percentage points higher in western than in eastern Germany. The decline over the past 20 years, however, has been more or less the same: falling in western Germany from 76 per cent in 1998 to 53 per cent in 2020, and in eastern Germany from 63 to 43 per cent.

Bargaining coverage also differs considerably across industries. In some industries, such as public administration, energy or finance, more than three-quarters of workers are still covered by a collective agreement. In some traditional union strongholds, such as chemicals and the
automotive industry, coverage also remains very high. In a large section of private services, such as hospitality, commerce and IT services, however, at best 40 per cent of the workforce have their terms and conditions set by collective agreements (Müller and Schulten 2019a).

In addition to geographical and industrial fragmentation, the bargaining system has undergone a process of decentralization. The declining bargaining coverage is caused by the drop in the number of workers covered by industry-level agreements, which decreased between 2000 and 2020 (Ellguth and Kohaut 2021). Thus, while the industry-level still dominates, the relative importance of company-level agreements has increased. This quantitative development has been advanced by the frequent use of so-called ‘opening clauses’, allowing company-level agreements to deviate from industry agreements (Schulten and Bispinck 2018).

While opening clauses were an attempt by unions to regain control over an increasing number of company-level derogations, which were agreed between management and works councils without the involvement of the industry-level bargaining parties, it also changed the traditional division of labour between unions and works councils (Dribbusch et al. 2018; Müller and Schulten 2019a). The latter are increasingly involved in negotiations about wages and working time, which previously, at least formally, was the sole prerogative of unions at industry level. Furthermore, a central precondition of ensuring a process of controlled decentralization in which industry-level agreements define the conditions under which company-level derogations are possible, is close articulation between industry-level unions and the works councils at company level (Müller and Schulten 2019a). This is where the erosion of worker participation comes into play.

While works council representation was never the norm, the share of establishments with a works council dropped further from 12 per cent in 2000 to 9 per cent in 2019 (Ellguth and Kohaut 2020), while the workers covered by works councils declined even more drastically. Whereas 50 per cent of West German and 41 per cent of East German workers were covered by a works council in 2000, the figures dropped to 41 per cent in western Germany and 37 per cent in eastern Germany in 2020. Unions have particular difficulties establishing works councils where they are hardly present, such as in the fragmented private service sector (Ellguth and Kohaut 2020), while the increasing resistance against works councils, in particular by employers in owner-led SMEs, further explains the declining coverage (Behrens and Dribbusch 2019).
A further sign of a more critical approach by employers towards worker participation is the decline in the number of companies covered by parity board-level representation, which stood at 652 in 2019, down from 767 in 2002 (Emmler and Misterek 2020). Using legal loopholes such as the European Company Statute, or simply purposefully avoiding existing obligations, more and more companies openly circumvent German codetermination laws (Sick 2020).

The decline in the share of the workforce in private industry covered by both a works council and a collective agreement illustrates the extent of the erosion of the German dual system as an institutional power resource of unions. The blank spots in collective bargaining and worker participation without any coverage of collective agreements and works councils has increased considerably: in western Germany from 24 to 41 per cent, and in eastern Germany from 39 per cent to half the workforce (Table 12.4). Some 53 per cent of the workforce in western German manufacturing were still covered by both a works council and a collective agreement in 2019 compared with 26 per cent in the western German private service sector (Ellguth and Kohaut 2020). In eastern Germany, the corresponding figures are 27 per cent in manufacturing and 26 per cent for the private services sector.

The erosion of interest representation and deteriorating union density go hand in hand. The erosion is particularly pronounced in eastern Germany and the private services sector where unions find it difficult to gain a strong foothold. What used to be a mutually supportive virtuous circle of developing strong institutions and broad-based unions has turned into a mutually undermining vicious circle. In many regions and

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**Table 12.4** Workers covered by a works council and a collective agreement in the private sector (%), 2000, 2010 and 2020

<table>
<thead>
<tr>
<th></th>
<th>Western Germany</th>
<th>Eastern Germany</th>
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<tbody>
<tr>
<td></td>
<td>2000 (%)</td>
<td>2010 (%)</td>
</tr>
<tr>
<td>WC and CA</td>
<td>43</td>
<td>37</td>
</tr>
<tr>
<td>WC but no CA</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>No WC but CA</td>
<td>26</td>
<td>22</td>
</tr>
<tr>
<td>Neither WC nor CA</td>
<td>24</td>
<td>32</td>
</tr>
</tbody>
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Note: As a percentage of all workers; WC = works council; CA = collective agreement.

Source: Ellguth and Kohaut (2011, 2021)
industries unions are simply too weak to counter the employers’ more hostile approach to industry-level collective bargaining and to worker participation by forcing the employers to the negotiation table and by blocking employers’ attempts to prevent the establishment of employee participation structures. Another part of this more critical approach is the introduction of ‘OT membership’ by some employers’ associations, which on one hand helps to stabilize their membership but on the other advances the decline of collective bargaining coverage.

The key challenge for unions in strengthening collective bargaining and worker participation is therefore to break the vicious circle by closing the geographical and industrial representation gaps that have opened up outside the core area of the western German manufacturing sector. In order to strengthen collective bargaining, the unions demand political reforms, such as a less restrictive procedure for the extension of collective agreements (Schulten 2019) and stronger labour clauses in public procurement laws, so that public contracts are awarded only to companies that apply collective agreements (Schulten 2021).

**Industrial conflict**

Compared with other European countries, Germany is not a very strike-prone country (Vandaele 2016). The reasons for Germany’s traditionally low strike rate include the unitary union movement, with a limited number of industrial unions; the dominance of industry-level collective agreements based on mutual support for the concept of conflictual cooperation; and the fairly restrictive regulation of strikes (Dribbusch 2019). Unions can call strikes only on issues directly related to the content and form of a collective agreement. From this follows the prohibition of political strikes and this also means that civil servants, who are not permitted to engage in collective bargaining, cannot go on strike. In addition, there is a relatively high quorum for strike activity: a call for a strike needs the approval of 75 per cent of the union members in a secret ballot. During a strike, unions support their members with strike pay. Every union has its own rules for strike pay. The amount of strike pay, however, usually depends on the length of union membership and the membership fee paid.

The pattern of strike action has changed markedly since the mid-2000s in response to a changing industrial relations landscape. The pattern is characterized by three interlinked trends: first, German industrial relations have become more conflictual, even though in a European context this is
still fairly modest. Compared with the period before the mid-2000s, the number of strikes has increased, while at the same time the number of days not worked has declined (Frindert et al. 2022; Figure 12.4). This indicates that the number of large-scale industry-wide strikes has decreased, while the number of smaller disputes in the context of single-employer bargaining has increased. Second, strike activity has shifted increasingly to the service sector; and third, strikes are spreading to new groups of employees, which used to be less involved in strike activities.

The fragmentation and decentralization of collective bargaining led to an increase in bargaining arenas, which in turn increased the potential for industrial conflict. As a consequence of the privatization and liberalization of important areas of the public sector, such as postal services, railways and health care, a small number of often national-level collective agreements were replaced by a large number of industry-level agreements and hundreds of company agreements (Brand and Schulten 2008). Furthermore, in manufacturing, the outsourcing of activities previously performed in-house led to the emergence of whole new service industries, such as contract logistics and contract manufacturing (Dribbusch 2019). By either withdrawing from collective agreements or demanding cuts in negotiated terms and conditions to cope with intensified competition, the employers’ increased readiness to engage in conflict has contributed to more conflictual industrial relations. Over time the maintaining or
establishing of collective bargaining in particular in individual companies has become an increasingly important issue for strike action alongside the still dominant issues of pay and working time (Dribbusch 2019).

This applies in particular to the service sector which since the mid-2000s accounts for more than two-thirds of days not worked because of industrial action. This ‘tertiarization’ of strike action can be traced to various factors. First, the absence of large-scale strike action in manufacturing, which dominated strike statistics up to the mid-2000s (Dribbusch 2019). Second, unions in the service sector embarked on a more assertive approach in combating low pay, bad working conditions and employers’ flat refusal to engage in collective bargaining at all. Amazon is just the most prominent example of a general problem of how to get individual employers in the service sector to the negotiation table. This more assertive strategy also includes the pursuit of more conflictual, traditionally ‘Anglo-Saxon’ recruitment and campaigning initiatives (Kocsis et al. 2013). Third, a new, more critical awareness among previously less strike-prone groups of employees. Examples are the strikes in social and child care in 2009 and 2015 conducted by Ver.di to fight the structural under-valuing of the work performed by the predominantly female employees in those industries (Schulten and Seikel 2020), and the various strikes by doctors and nurses for better working conditions and the establishment of collective bargaining more generally in the health sector, which is characterized by a highly fragmented bargaining structure. Finally, there is the renaissance of professional unions, such as in hospitals, railways and aviation in response to the privatization and liberalization of services. Even though, often in contrast to public perceptions, the professional unions in these industries were not disproportionally strike-prone (Bispinck 2015), their more active role still contributed to the changing pattern of strike activity.

Political relations

The trade unions’ role in the political realm relies on different courses of action to influence political decision-making. First, as an interest group unions try to establish links with political parties and governments to influence policymaking; second, as corporate actors, unions are directly involved in the decision-making processes of many institutions that are an integral part of the social market economy; and third, as social movements, unions try to mobilize their members and build alliances with
other civil society organizations in order to build political pressure on
governments. Unions cultivate all three channels for influencing political
decisions fairly pragmatically.

German unions consider themselves to be non-partisan organiza-
tions: they are not officially linked to nor financed by any political party.
In practice, however, the DGB and its affiliates traditionally have close
links with the Social Democratic Party (SPD, *Sozialdemokratische Partei
Deutschlands*), which forms a kind of a ‘privileged partnership’ (Schroeder
2008). The close link between DGB unions and the SPD rests on large
overlaps of their respective political values and programmes and close
personal ties based on mutual memberships. All presidents of the DGB
unions are also members of the SPD. The only exception was from 2001
to 2019, Frank Bsirske, the president of Ver.di, who was a member of the
Green Party. Among the four current members of the DGB board, how-
ever, two (including the DGB president) are members of the SPD, one of
the Green Party and one of the Christian Democrats (CDU).

Both pillars of the ‘privileged partnership’ started to crumble in
the 1990s when the proportion of unionized SPD members of parlia-
ment decreased from 90 per cent at the end of the 1980s to less than
60 per cent in the mid-2000s (Schroeder 2008). The biggest blow to
the ‘privileged partnership’ came from the substantial revision of the
German welfare state as a consequence of the so-called ‘Agenda 2010’
introduced by the SPD–Greens coalition government under Chancellor
Schröder in 2003 (Bäcker 2018; Bosch 2015). Agenda 2010 entailed cuts
in unemployment benefits, the active expansion of the low-wage sector
by introducing, for instance, so-called ‘mini jobs’, and the raising of the
pensionable age to 67 in 2007 under the centre-right CDU/CSU–SPD
coalition government (Dribbusch and Birke 2019). Agenda 2010 altered
the SPD–union relationship in two respects: first, it changed the political
landscape because it led to the establishment of *Die Linke* (‘The Left’)
as a new party left of the SPD on the political spectrum with the active
support of many disappointed unionists who had left the SPD. Second,
Agenda 2010 showed the unions that they could no longer rely on the
SPD to advance their objectives in the political arena. They have therefore
kept their options open: from 2005 onwards the DGB abstained from its
traditional electoral recommendation of the SPD, acknowledging that it
has to seek the support of all governments (Dribbusch et al. 2018).

An important part of the unions’ political relations is their institu-
tional embeddedness in advisory and decision-making bodies of various
(quasi-)public institutions, such as the boards of the labour administration and social insurance institutions, the labour courts, broadcasting councils, advisory boards of ministries and even the board of the state bank Kreditanstalt für Wiederaufbau (Wiesenthal 2014). The involvement of unions (and employers) in this dense network of semi-autonomous self-governing bodies is a defining characteristic of Germany’s social market economy. It enables unions to perform a broader societal role that goes far beyond their core business of collective bargaining. For instance, the unions’ involvement in the (shared) administration and partly the regulation of the social security system – involving unemployment, health care, pension and care insurance – provides unions with an institutionalized voice in social policymaking. This should not be confused with real decision-making power: it rather provides unions with an institutionalized channel to ensure that workers’ interests are heard. Unions’ ‘institutional voice’, for instance, was not strong enough to prevent the neoliberal welfare state reforms pursued by Agenda 2010, which also restricted unions’ influence in the self-governing bodies of the social security systems through stronger state intervention, in particular in decisions on the budget and benefit design (Trampusch 2009). Despite these recent further restrictions of unions’ institutional power, their institutional embeddedness in the network of self-governing bodies is still an important factor in representing the interests of the wider workforce, which in turn strengthens unions’ organizational legitimacy (Jeanrond 2014).

Finally, tripartite arrangements of political exchange between unions, governments and employers are very rare in Germany. In the past fifty years there have been only three instances: in the context of so-called ‘concerted action’ (Konzertierte Aktion) in 1967–1977; the so-called ‘Alliance for Jobs, Training and Competitiveness’ (Bündniss für Arbeit, Beschäftigung und Wettbewerbsfähigkeit) in 1998–2003; and the short-lived tripartite management of the ‘Great Recession’ in 2008/2009. A common feature of all three tripartite arrangements is that they were based on the joint interests of unions and employers in defending the competitiveness of German industry (Dribbusch et al. 2018). To achieve this objective, unions accepted wage moderation in exchange for employment security. From a union perspective, the results of these tripartite arrangements have been mixed, as the example of ‘crisis corporatism’ (Urban 2015) in 2008/2009 illustrates. The tripartite arrangement helped to safeguard employment, which in the international press was heralded as the ‘German job miracle’ (The Economist 2010; for a
critical assessment see Dörre 2014). Its success came at considerable cost, however. First, the ‘job miracle’ was restricted mainly to the core workforce, especially in manufacturing, while many temporary jobs were cut (Urban 2015). Second, even the core workers who kept their jobs had to make considerable concessions as regards moderate wage increases (Bispinck 2011) and worse working conditions because ‘employment security was linked to accelerated enterprise restructuring, leading to far-reaching performance intensification and an adverse impact on workers’ health’ (Urban 2015: 273). Third, unions could not realize any of their more long-term political objectives such as the proposal of a public fund for investment, a re-regulation of agency work and a significant extension of company-level codetermination rights (Dribbusch et al. 2018).

In the public perception, however, the unions proved themselves to be ‘crisis managers’, which considerably improved their image in the wider population. Even though unions have not engaged in another tripartite arrangement since then, the 2008/2009 ‘crisis corporatism’ helped them, especially IG Metall, to gain new prestige and self-confidence. It is therefore viewed as a strategic tool to return to in the future, if needed.

**Societal power**

Societal power refers to unions’ capacity to successfully influence the public discourse and agenda-setting through public campaigns and building alliances with other civil society organizations. Societal power is not new for German unions. There have been broad-based political campaigns in the past, such as the high-profile campaigns on working time, including the DGB-led campaign for a five-day working week in the 1950s/1960s and the IG Metall-led campaign for a thirty-five-hour working week in the 1980s (Futh 2018). Overall, however, to pursue their political objectives, unions have traditionally relied more heavily on their institutional power resources through their involvement in the dense network of corporatist arrangements (Rehder 2014).

Public campaigns have been more important in unions’ action repertoire since the beginning of the 2000s. This strengthened focus on campaigning is linked to the partial erosion of Germany’s model of industrial relations. First, one might mention the continuous decline in membership and collective bargaining and works council coverage, especially outside the traditional core areas of union representation. Second, the unions’ more difficult situation in the corporatist framework that made
them realize the need to develop alternative ways to pursue (potential) members’ interests outside the well-established institutional channels.

The pursuit of public campaigns was seen as a new strategy to bolster unions’ organizational power resources as an essential prerequisite of increasing their institutional power resources. Unions pursue two different kinds of public campaigns. First, there are campaigns directly addressed to individual anti-union companies, which are embedded in a broader organizing strategy to recruit new members among industries and categories of workers that are traditionally difficult to organize. Their objective is to put public pressure on companies that obstruct organizing initiatives or the establishment of works councils, or that refuse to become (or stay) part of industry-level collective agreements. A prominent example is Ver.di’s high-profile campaign against the retail discounter Lidl, which started in 2004 (for details, see Rehder 2014; Schreieder 2007). Since then there have been a range of similar campaigns pursued by other unions, such as in security services, industrial cleaning, retail, hospitals and the wind energy industry (Bremme et al. 2007; Wetzel 2013).

The second type of public campaign is concerned with broader political issues that appeal to the broader public, going beyond the interests of the core workforce. They are dealing with broader political issues, aimed at generating public support to put pressure on companies and policymakers. Examples include the campaign on the introduction of a statutory minimum wage, the ‘equal work, equal pay’ campaign in the agency work industry, driven by IG Metall (Benassi and Dorigatti 2015), and NGG’s campaign for better working conditions in the meat industry (Erol and Schulten 2021). A common characteristic of these campaigns is that their success was based on unions’ success in scandalizing bad pay and working conditions, and the fact that the issue was perceived publicly as a ‘just cause’, reaching beyond the unions’ core constituency. In recent times, the most successful political campaign by German unions was the minimum wage campaign which, after a battle lasting more than fifteen years, ultimately led to the introduction of a statutory minimum wage on 1 January 2015 (Bosch 2018).

More recently, the unions have tried to find new allies in their campaigns for social and ecological transformation. IG Metall has published several position papers on social and green transition, together with two leading environmental organizations, the Bund für Umwelt und Naturschutz Deutschland (Friends of the Earth Germany) and the Naturschutzbund Deutschland (IG Metall 2021). Ver.di and Fridays for
Future also launched a joint campaign to extend public transport and to improve the working conditions of public transport workers (Liebig and Lucht 2022).

**Trade union policies towards the European Union**

German unions’ general view of the EU is fairly ambiguous. On one hand, they strongly support European integration, which for them is a peace project that ensures social progress and is therefore more than just a common market (Hoffmann and Botsch 2021). Furthermore, they have strong economic reasons to support integration because in particular the German export-oriented industries benefit from the European single market. On the other hand, the unions are highly critical of the European policies pursued in the past twenty years. They criticize the asymmetry of market-enforcing and market-correcting policies (Scharpf 2009), which have turned European integration largely into a neoliberal project by promoting policies of deregulation, liberalization and privatization, which have subordinated social objectives to the imperatives of price competitiveness and fiscal discipline (DGB 2017). This is why German unions have been extremely critical of the incomplete Economic and Monetary Union (EMU) without an integrated fiscal and social policy and of the supply side–oriented management of the financial crisis in 2008/2009, which was based on austerity, internal devaluation and the dismantling of collective bargaining systems.

The key objective of German unions was and still is to implement an alternative model of European integration based on the idea of a social and solidaristic Europe (Hoffmann and Botsch 2021). For this reason, they have always been strong supporters of including a social progress protocol in the European treaties giving social rights the same status as economic rights and ensuring minimum social standards across the EU. Recognizing the interdependence of the European economies, the alternative model aimed for by the unions cannot be based on national solutions but on the European regulation of the internal market. This view is succinctly summed up in Ver.di’s 2010 European policy manifesto: ‘not less, but more Europe, just not more of the same’ (Ver.di 2010: 44). ‘More Europe’ in this sense entails not only strengthening the European social dimension institutionally, but also boosting cross-border European cooperation and coordination among unions to prevent social dumping and to safeguard their members’ interests.
Germany: Different worlds of trade unionism

To achieve the objective of a more social Europe, unions use different channels to influence developments at European level (Mittag 2017). One channel is the ETUC and the industry-level European Trade Union Federations (ETUFs). The DGB and its affiliates are founding members of the respective EU organizations and they are actively engaged in all their working structures and committees. By their sheer size in terms of membership and their affiliation fees, German unions naturally play an important role in the European federations’ policymaking. The DGB, for instance, was one of the key driving forces behind the ETUC’s push for an alternative model of economic governance and supply-side policies in the aftermath of the 2008/2009 economic crisis. To boost investment, and as an alternative to the dominant austerity policies at the time, the DGB developed its Marshall Plan for Europe (DGB 2012), which inspired the ETUC campaign ‘A new path to Europe’ (ETUC 2013). In addition to providing conceptual input into the ETUC’s policy debates, the DGB also financially and organizationally supported successive ETUC campaigns such as the ‘Europe needs a pay rise’ campaign in 2017/2018. These multilateral activities were complemented by close bilateral contacts with unions from other countries. They served a dual purpose: to provide direct organizational support, for instance, in the aftermath of the crisis to unions in the crisis countries; and to agree on a common position in order to support the DGB’s position in the ETUC’s internal policy discussions. The bilateral contacts are mainly ad hoc and issue-specific. More institutionalized exchanges exist between the DGB and the British, French and Polish unions via annual union forums.

To varying degrees, DGB affiliates pursue a similar mix of multilateral activities under the umbrella of their respective ETUFs and bilateral activities with unions from other countries. A good example is provided by IG Metall’s activities regarding collective bargaining and company policy. IG Metall was a key driving force of the European Metalworkers’ Federation’s (EMF) collective bargaining coordination approach and the adoption of bargaining guidelines as early as 1996 (Platzer and Müller 2011). To prevent downward pressure on wages and social standards, IG Metall strongly supported the EMF policy to agree on a common European policy approach, according to which national bargaining should at least compensate for price increases and secure an adequate share of productivity gains. These multilateral activities were accompanied by bilateral activities such as the establishment of ‘inter-regional’ collective bargaining networks of IG Metall districts with unions from
neighbouring countries. The most active networks today are those with Belgian and Dutch unions and the Vienna Memorandum Group with IGM Bavaria, Austria, Czechia, Hungary, Slovakia and Slovenia (Müller and Schulten 2019b). A similar approach involving common European guidelines was pursued in the field of company policy, and in particular European Works Councils (EWCs), to minimize cross-border competition and the resulting downward pressure on working conditions. To improve cross-border coordination IG Metall strongly supported the adoption of common EMF guidelines for the negotiation of EWCs in the 1990s and in 2005 the ten EMF principles on socially responsible company restructuring (Platzer and Müller 2011). The active role of IG Metall, and the other German unions more generally, in pushing for improved European coordination of EWC-related union activities is not surprising, given that of the currently approximately 1,250 active EWCs roughly three-quarters include a representative from Germany and roughly one-quarter of the currently active EWCs are headquartered in Germany (ETUI 2022).

The DGB and its largest affiliates IG Metall and Ver.di also have their own European liaison officers in Brussels to represent the union’s interests vis-à-vis the European institutions. The main objectives of these liaison officers are to gather information about European legislative initiatives and to feed the union’s position into the European policymaking process. The liaison officers are another channel for influence European policymaking processes to achieve the dual objective of protecting the interests of German workers and to achieve a more general policy change at European level.

For unions such as IG Metall, which represent workers in highly internationalized industries, characterized by a dense network of European regulation, the EU is just another level in a multi-level structure of decision-making. They extend their national policies and practices to the European level under the organizing, facilitating and unifying umbrella of the European trade union organizations (Rüb 2009). This integral view of Europe is also reflected in the union-internal organization. European issues are treated as a cross-cutting theme dealt with by issue-specific departments as an additional dimension of their national activities. At IG Metall, European aspects of collective bargaining and company policy, for instance, are dealt with by the respective departments. By the same token, at Ver.di, European issues are dealt with by the various sectoral departments (Fachbereiche) (Dittmar 2017, 2021). Ver.di, however, also illustrates the varying significance of European issues
for day-to-day activities. In the highly internationalized transport sector European issues are much more integrated into the day-to-day activities of the respective Fachbereich than, for instance, in the Fachbereich dealing with the less internationalized public sector (Dittmar 2017, 2021).

Conclusion

The past twenty years can be divided into two distinct periods. The first period covers the years from 2000 until the beginning of the Great Recession in 2008. During this period, unions’ organizational strength and capacity to act was under attack. The first and most important indicator of their defensive position was the sustained substantial decrease in union membership during this period. This was partly a consequence of the unions’ own problems in retaining existing members and in gaining new members in the newly emerging market segments. It was also a consequence of the unfavourable economic and political environment at the time. Economically, this period was characterized by limited economic growth and a continuous increase in unemployment, which peaked at more than 11 per cent in 2005, creating difficult conditions for unions to retain their membership level. Politically, under Chancellor Schröder the unions lost the SPD as their traditional political ally and were consequently side-lined by the government in order to pursue its ‘Agenda 2010’. Furthermore, the employers’ declining acceptance of traditional German industrial relations institutions contributed to the decentralization of collective bargaining and a continuous decrease of collective bargaining coverage, thereby further undermining one of the central pillars of the unions’ capacity to act. In a nutshell, the situation between 2000 and 2008 was characterized by a decline in the unions’ organizational, institutional and structural power resources. The severity of this general trend varied by industry, leading to a consolidation or even deepening of the different worlds of unionism. Strong unions prevailed in the export-oriented industries and the public sector, but in parts of the service and crafts sectors unions struggled to get a foothold. Thus, in terms of Visser’s (2019) categories this period up to the Great Recession was characterized by a further union dualization. In some industries and regions there were even signs of marginalization.

The 2008/2009 Great Recession marked a turning point as it proved an opportunity for unions to strengthen their position. To a certain extent the dire situation the unions were in at the beginning of the crisis,
with continuing loss of organizational and institutional power resources, prompted a strategic shift inside the unions by making recruiting and retaining members the overarching goal of all union activities. Unions pursued new paths by embracing the organizing model. This involved not only a new focus on membership recruitment and retention, but also a cultural shift in the pursuit of new forms of action, such as more participation-oriented forms of internal decision-making, more conflictual strategies for bringing companies to the negotiation table, and a broader political agenda that goes beyond the interests of the traditional core constituency in collective bargaining and in campaigns. This new approach contributed to a more positive membership development than during the period before the crisis – thereby strengthening unions’ organizational power.

The fact that the German economy was not exceptionally hard hit by the crisis and recovered quickly, furthermore, strengthened the unions’ structural power, enabling them to negotiate higher wages. Even though unions did not manage to stop the decline in collective bargaining and works council coverage as the central elements of their institutional power, the Great Recession offered an alternative institutional channel to exert influence by engaging in a corporatist arrangement to mitigate the negative impact of the crisis for workers. This specific form of ‘crisis corporatism’ improved their public image and increased their acceptance in the political sphere. This increase in their societal power created favourable conditions for the unions’ new, more campaign-oriented approach. Thus, the unions’ development since 2008 has been characterized by signs of stability and revitalization.

These signs of revitalization are fragile, however. Whether this can be sustained in the future depends very much on how unions cope with current and future challenges. The Covid-19 pandemic wiped out much of the unions’ organizing successes in only one year. Demographic change and the twin digital and ecological transformation are two other major challenges with potentially far-reaching implications for employment, especially in the union strongholds of the manufacturing sector. Whether they can maintain their role depends largely on the capability of German manufacturing industry to manage the twin transformation in a sustainable and inclusive way, retaining a certain level of employment. Moreover, unions are facing challenges from ongoing changes in the employment structure, which has to be mirrored in the composition of their membership. Finally, to maintain their role, unions need to find
ways to overcome the cleavage between the different worlds of unionism. In view of the increased blurring of industrial demarcations and the challenges raised by the twin transition this is a task not only for unions organizing in underrepresented industries, but for all German unions.

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All links were checked on 27 July 2022.


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### Abbreviations

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<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>BDA</td>
<td>Bundesvereinigung der Deutschen Arbeitgeberverbände (Confederation of German Employers' Associations)</td>
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<tr>
<td>BetrVG</td>
<td>Betriebsverfassungsgesetz (Works Constitution Act)</td>
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<tr>
<td>CDU</td>
<td>Christlich Demokratische Union (Christian Democratic Union)</td>
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<tr>
<td>CGB</td>
<td>Christlicher Gewerkschaftsbund Deutschlands (Christian Trade Union Confederation of Germany)</td>
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<tr>
<td>DAG</td>
<td>Deutsche Angestelltengewerkschaft (German Salaried Employees' Union)</td>
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<tr>
<td>dbb</td>
<td>Deutscher Beamtenbund und Tarifunion (German Civil Service Association)</td>
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<tr>
<td>DGB</td>
<td>Deutscher Gewerkschaftsbund (German Trade Union Confederation)</td>
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<tr>
<td>EMF</td>
<td>European Metalworkers’ Federation</td>
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<td>ETUC</td>
<td>European Trade Union Confederation</td>
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<td>ETUF</td>
<td>European Trade Union Federation</td>
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<td>EVG</td>
<td>Eisenbahn- und Verkehrsgewerkschaft (Railway and Transport Union)</td>
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<td>EWC</td>
<td>European Works Councils</td>
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<td>FDP</td>
<td>Freie Demokratisch Partei (Free Democratic Party)</td>
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<td>GDBA</td>
<td>Verkehrsgewerkschaft Deutscher Bundesbahnbeamten und Anwärter (Union of civil servants within German Rail)</td>
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<td>GDL</td>
<td>Gewerkschaft Deutscher Lokomotivführer (German Train Drivers’ Union)</td>
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<td>GdP</td>
<td>Gewerkschaft der Polizei (Trade Union of the Police)</td>
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<td>GEW</td>
<td>Gewerkschaft Erziehung und Wissenschaft (Union of Education and Science)</td>
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<td>GHK</td>
<td>Gewerkschaft Holz und Kunststoff (Wood and Plastics Union)</td>
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<td>GL</td>
<td>Gewerkschaft Leder (Leather workers’ union)</td>
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<td>GTB</td>
<td>Gewerkschaft Textil-Bekleidung (Textil and Clothing Workers’ Union)</td>
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<td>IG BAU</td>
<td>Industriegewerkschaft Bauen-Agrar-Umwelt (Building, Agriculture &amp; Environmental Workers’ Union)</td>
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<tr>
<td>IG BCE</td>
<td>Industriegewerkschaft Bergbau, Chemie, Energie (Mining, Chemicals and Energy Industrial Union)</td>
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<td>Industriegewerkschaft Bergbau (Mining workers’ union)</td>
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<td>Industriegewerkschaft Chemie-Papier-Keramik (Chemical, Paper and Ceramics Industrial Union)</td>
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<td>MB</td>
<td>Marburger Bund (Union of Salaried Medical Doctors)</td>
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<td>NGG</td>
<td>Gewerkschaft Nahrung-Genuss-Gaststätten (Food, Tobacco, Hotel &amp; Allied Workers Union)</td>
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<td>Sozialdemokratische Partei Deutschlands (Social-Democratic Party)</td>
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<td>TVG</td>
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