Trade Unions as promoters of a European Social Citizenship?
The case of the German DGB

*European Social Citizenship: interpretative framework*

The idea that citizens of a state share rights and duties that are social in nature is, as T. H. Marshall has demonstrated, a late-comer in the history of the citizenship concept in Europe¹, and its inception owed much to the traumatic experiences of the economic depressions in the 1870s/1880s, and the late 1920s, with the ensuing “great transformation” in economic thinking towards more “organised” forms of capitalism².

If such changes need historical contingencies to come about, then, as Peter Wagner emphasises³, the question of agency becomes of paramount importance. It is a commonly held view, in this regard, that the increasing strength of organised labour in the late 19th century, and the connected threat of a revolutionary upheaval, contributed a great deal to the beginnings of national welfare programs⁴.

Perhaps this has led authors like Brian Bercusson to believe that trade unions, in particular, are susceptible to perform a similar function for the creation of a Social Citizenship on the level of the European Union⁵. However, his argument seems to be less inspired by the revolutionary character of European trade union movements in the new millennium than by a functionalist logic that resembles the thinking of Ernst Haas in the 1950s. For Haas, interest groups such as trade unions, would be drawn into the new European policy arena, and, by shifting their focus of interest towards the EEC/EU,

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³ Cf. his contribution in this volume.
⁵ Cf. for instance: Brian Bercusson, A manifesto for Social Europe, Brussels, European Trade Union Institute 1996.
they would be instrumental to create “spill-over” effects into new areas of European legislation, e.g. in the field of Social Policy.\textsuperscript{6}

Yet, neo-functionalist theory has contributed little to the empirical understanding of European integration, including the question of interest groups. On the other hand, a straightforward analogy between the role of trade unions in the late 19\textsuperscript{th} century and in today’s European Union is problematic for two main reasons, namely the complex relationship between European and national social citizenship (1), and the changing contours of the international economy and its importance for national welfare (2).

(1) The trouble with the notion of a European Social Citizenship starts already with the complex interpretations as to its meaning. Most historians and social scientists\textsuperscript{7} agree that the vision of a fully-fledged EU Social Policy, replacing national welfare states, is not appropriate. Therefore, the concepts suggested to study European Social Citizenship usually comprise several levels of analysis. Hartmut Kaelble, for instance, wants to combine the comparison of different national welfare systems in their historical evolution, including the question of their convergence, with the analysis of transfers between these systems and the study of supranational elements at EU level. In other words: The development of national citizenship regimes \textit{in Europe} is itself part of the concept of a European Social Citizenship. In a similar way, Paul Teague argues that the European “Social Model” continues to be moulded both at the level of European Nation-States and the European Union\textsuperscript{8}.

Starting out from such a multi-level concept of European Social Citizenship a lot depends on the concrete relation between its elements, in particular if one is to analyse major actors’ strategies in this process. With regard to the question I will deal with in the following, namely the relation between supranational EU elements and national social citizenship regimes, the continuities since the Rome Treaties of 1958 are striking, despite some considerable changes, e.g. in the early 1970s\textsuperscript{9}: firstly the limitation of EU Social Policy to issues linked to the cross-border movement of goods, capital and

\textsuperscript{6} Ernst Haas, The uniting of Europe: political, social, and economic forces 1950-1957, Stanford University Press 1968.


\textsuperscript{8} Teague, Economic Citizenship, p. 201.

workers\textsuperscript{10}, except for matters related to equal pay and health/safety, secondly the limitation to regulatory policy\textsuperscript{11}, leaving redistributive issues to the national level, and thirdly the use of the EU “soft law” framework as a forum for co-ordination, mutual learning and transfers between different national systems. Importantly, this continuity persisted despite repeated efforts by the European Commission to press for a greater role of the Community. In the field of worker consultation, for example, the Commission already during the 1960s put forward far-reaching proposals for a harmonisation of national systems, on the basis of the German co-determination model. When, after more than 30 years of debate, the directive on European Works Councils was eventually approved in 1994 its application was limited to the cross-border activities of companies, leaving the bulk of worker consultation to be carried out according to national legislation. At the same time, the EWC directive is not even creating a “European” pattern of worker involvement for cross-border matters. In fact, it allows for the co-existence of different national models and their limited extension into other European countries\textsuperscript{12}. In the case of social security systems all European legislation has left untouched the right of member states to determine their welfare benefits themselves. If a migrant moves from one national labour market to another, he takes with him the entitlements he acquired in the country he leaves, and/or the benefits of the new host country. As in the case of the EWC, this is rather a regime of mutual transnational extensions of national systems. EU regulation is limited to cross-border problems; if (marginal) re-distributive aspects are involved they concern only the two member states in question. Nowhere is there a European common standard – which is also the case for other central areas such as employment policy or collective bargaining. The co-ordination and transfer aspect of EU “soft law” can be seen as a continuity of older practices of transnational debates on welfare matters. Since its beginnings, the history of national welfare states was a history of transfers, a history of emulation of successful “models”, be they German, British or Swedish.\textsuperscript{13} To this end the EU

\textsuperscript{10}It should be noted that in this area the European Commissions as well as the European Court of Justice have considerably expanded the scope of European legislation, e.g. with regard to the question of welfare benefits for migrants – cf. the contribution of Martin Rhodes in this volume.

\textsuperscript{11}Cf. for this more generally: Giandomenico Majone, “The Rise of the Regulatory State in Europe”, in: West European Politics 17/1994, pp. 77-101; an exception from this is of course the European regional fund and connected programs.

\textsuperscript{12}Wolfgang Streeck, “The internationalization of industrial relations in Europe: Prospects and Problems”, in: id. (ed.), Korporatismus in Deutschland, . Zwischen Nationalstaat und Europäischer Union, Frankfurt/M./New York 1999, pp. 159-188, here: p. 166; Streeck emphasises, however, that the European regulation have an impact on national legislation at least in some countries..

\textsuperscript{13}Cf. Ritter, Der Sozialstaat, op. cit.
provided an additional multilateral framework, and it seems that since the 1990s this framework became more important as Member-States appear to display a greater willingness to come to more stable and binding forms of co-operation. Examples for this are the integration of a “Social Dialogue” into the EU treaties in 1992 and the newly created “open method of co-ordination”.

(2) Any analysis of the relation between supranational and national elements in the European Social Citizenship concept has to consider that the EU - as its old name indicated – has primarily been a European Economic Community, that is, an organisation to boost the integration of markets in Europe. In a historical perspective, here, the EU can be seen in the tradition of older forms of multilateral agreements to regulate the international economy since the latter half of the 19th century. With the successive waves of globalisation a complex relationship emerged between transnational market integration, multilateral agreements and national economic policies: The potential for national governments to intervene in “their” economy was enhanced since the 1870s; the economy came to be seen as important part of national sovereignty. International agreements had to allow for the possibility of such discretionary interventions. However, the higher degree of national and transnational regulation was not meant to slow down the integration of markets. On the contrary, the establishment of new social systems of production in the last two decades of the 19th centuries at national level went hand in hand with the expansion of trade and capital movements across borders. Economic historians like Werner Abelshauser have even argued that globalisation – since the late 19th century - has been one of the main driving forces shaping the institutions of national production systems. Hence, national as well as transnational market regulation during this time, including the first elements of social policy, should not only be seen as giving protection against the risks of an increasingly global economy. The new “safety net” was not designed to counteract free trade, which continued to be seen as a major source of the “wealth of nations”. On the contrary, by providing a more stable institutional framework it was assumed that market integration

14 Cf. Teague, Economic Citizenship, pp. 147ff.
17 Ibid. p. 559.
would increase more smoothly, giving Nation-States some discretionary room to adapt to the pressures and opportunities of the international economy. In the view of liberal reformers such as the “Verein für Socialpolitik” elements of social protection came to be seen as productive investments that would improve the chances of a national economy to reap the benefits of international capitalism. The other side of the coin was that national debates about institutional changes started to be couched in terms of “regime competition”. For example, already in the Reichstag debates about the introduction of Bismarckian social security measures the argument of “national competitiveness” played an important role.

Transnational regulation, on the other hand, had a different status. Multilateral and bilateral agreements were meant to facilitate the movement of goods and capital (e.g. harmonisation of technical standards), but also to create a level playing field for companies and states (e.g. protection of private property, currency exchange regimes). This complex relationship between market integration and multi-level regulation continued into the time after World War II, with the major change of the supranational EC/EU replacing the purely intergovernmental agreements in the role of boosting market integration by means of harmonisation or mutual recognition, and the provision of framework rules (competition, state aid etc.). The European Nation-States considerably increased the scope of their interventionist economic and social policies, not least because democratic legitimacy depended more and more on the provision of welfare for the citizens. The Great Boom of the 1950s and 1960s, to which a steep increase in European trade contributed considerably generated the necessary resources. At the same time, the stability of the extended national welfare regimes relied on continued “national competitiveness”, as can be seen in the British case where balance-of payments problems repeatedly caused significant changes in tax policy, public spending, and wage policy.

The conclusion of this argument is that the development of supranational elements of Social citizenship has not only to be related to the evolution of national social

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19 See the contribution of Jenny Andersson in this volume.
21 Ibid. pp. 564f.
citizenship regimes but also to the patterns of European market integration and the connected regulatory policies, which, in themselves, were again linked in both an enabling and conditioning way to national social citizenship systems. To analyse the position of trade unions in this complex pattern is further complicated by two additional considerations. Firstly, the integration of the labour movements into European Nation-States in most cases did not come about before the First World War, and it was only then that labour came out in support of the expansion of state welfare. In Germany, for instance, the Social Democrats had initially opposed Bismarck’s plans for a social insurance system in the 1880s. Secondly, even with the recognition as social partners, the role of trade unions towards Social Citizenship remained ambivalent, as already T.H. Marshall has noted: Trade unions primarily exist to operate in labour markets, and their main activity, collective bargaining, is conducted to the benefit of particular groups of workers and not to that of all citizens. A too interventionist state policy, e.g. in the field of wages, is even detrimental to the unions’ interests since it decreases the incentives for membership – hence the obsession of many trade union leaders with collective bargaining “autonomy”. In fact, the history of trade unionism has also been a history of the tension between sectionalism and broader social aspirations.

How can we – given the demonstrated complexity of the interpretative framework – appropriately analyse the attitudes of trade unions towards “European Social Citizenship”? In the following I suggest to proceed with micro-level case studies, by taking the example of the German DGB’s policy towards EC/EU Social Policy in the 1970s. I will first describe the main positions of the German trade union confederation and then try to interpret the findings in relation to European Social Citizenship.

**The German DGB and European Social Policy (1972-75)**

Surprisingly, there is little research on German trade unions in the context of European integration. Labour historians and industrial sociologists have neglected this aspect.

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24 Cf. Marshall, Bürgerrechte, pp. 82f.
and the studies looking at the impact of European integration on the labour movement
are almost entirely focussed on the European umbrella organisations such as the ETUC
or the sectoral secretariats.\textsuperscript{26} As Wolfgang Streeck has argued, this lack of interest
 corresponded to the fact that “Europe” did not seem to be a big issue for the German
trade unions, in contrast, for instance, to their British counterparts. In a general way, the
\textit{DGB} always supported European integration, not least because market integration
helped to sustain the export-led growth and employment strategy of the Federal
Republic.\textsuperscript{27} Even if this general view has been qualified in the 1990s, in particular in the
area of collective bargaining\textsuperscript{28}, most scholars continue to assume that the German
unions, since the Rome treaties of 1958, have also been inspired by the aim to
counterbalance the economic bias of the EU by a “social dimension”, and, as a
consequence, that they have been pushing for a strengthening of supranational Social
Policy in Europe\textsuperscript{29}.

Yet, these views are mainly based on \textit{DGB} congress resolutions and do not address the
union’s views on the complex relationship between EU market integration,
supranational Social Policy and the development of the German welfare state. With the
help of material of the \textit{DGB} archive related to initiatives to enhance the status of Social
Policy in the EC in the early 1970s I will try to provide a more differentiated analysis.

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\textsuperscript{28} Cf. Dolvik, Redrawing boundaries, pp. 271f., who stresses the \textit{DGB} reluctance regarding proposals to partly shift collective bargaining to the EU level. Patrick Pasture has noted a similar attitude already in the 1950s – cf. Patrick Pasture, Has European Integration led to Europeanization or rather Re-Nationalization of the trade union movement? Paper at the conference “Trade unions in the transnational sphere”, EUI Florence, 26-27 October 2002.

In May 1973 the DGB board adopted a policy document containing its position on the Commission proposal for a social action program of the community\textsuperscript{30}. The German union confederation emphasised three elements: In the field of employment policy the paper was critical of the limitation of EC policy to issues of intra-community migration, despite the fact that labour market problems had increased in some regions and sectors. Therefore Member-States were asked to better co-ordinate their economic policies, and a more active European employment policy was deemed necessary. As far as the question of welfare benefits and working conditions were concerned the DGB repeated its older demand for equalisation on the level of the most advanced countries – without impeding the latter to move ahead. Thirdly, there was a concern with “economic democracy”: In the DGB’s view, the EC should provide a legal framework for European collective bargaining and for the extension of co-determination rights in multinational companies\textsuperscript{31}.

Thus, the document seems to support the interpretation of the DGB as a promoter of European Social Policy. However, a closer look will reveal a much more nuanced position, quite apart from the fact that parts of the paper were pure window dressing. As to the question of regional policy, for instance, internal communications by the DGB economics department stressed already in early 1973 that such EC programs implied, by invoking a “dubious interest” in a more balanced European development, the danger of slowing down economic growth in the more advanced regions\textsuperscript{32}. This meant that, although the German unions would support an extension of European regional policy in the area of labour market policy they would not accept this to be combined with a massive redistribution of resources form richer to poorer Member-States. Accordingly, the DGB Chairman Vetter wrote to Chancellor Brandt in late 1973 that the German unions were in favour of the set-up of regional funds on EC level but that they were opposed to subsidy programs that could get out of hand and consequently diminish the financial scope to launch labour market programs in Germany\textsuperscript{33}.

In general, the German union praised the principle of subsidiarity in the area of economic and employment policy. It was suspicious about any proposals to set up new


\textsuperscript{31} Ibid.


European bureaucracies in Brussels: For example, the DGB had nothing positive to say about ideas of the ETUC secretariat to establish a European labour agency or a permanent committee for employment problems. Instead, it favoured more co-ordination between the national labour agencies and a harmonisation of national labour market statistics. Moreover, national governments were asked to submit regular employment reports to the Commission\textsuperscript{34}. The same caution was displayed towards proposals to set up a European “commissariat de plan”.\textsuperscript{35}

As far as welfare benefits were concerned the DGB was hiding behind the illusory utopia of upward harmonisation while strictly opposing any cross-border redistribution of resources. When the Belgian FTGB suggested in October 1973 to increase the EC’s budget for Social Policy in order to achieve some degree of harmonisation of national social security systems the DGB argued that such a “schematic harmonisation” was not desirable because it did not take into account the “different traditions and values” of the various national societies. As long as the EC did not have real democratic governing structures Member-States had to dispose of a sufficient degree of autonomy to manage their social security systems. Proposals for a joint European unemployment insurance were deemed “premature”.\textsuperscript{36}

The German union itself argued for much less ambitious measures e.g. the gradual harmonisation of insurance definitions and the exchange of statistical data.

With regard to working conditions, the DGB, despite its confessed commitment to European minimum standards on working time and holiday entitlements, refused to accept any binding European legislation because this would interfere into free collective bargaining in Germany. A Council recommendation on the 40-hour week was not blocked only because it was a recommendation, thus not having a direct effect on national law.\textsuperscript{37} When, in early 1974, the Commission submitted a directive on equal pay the DGB massively lobbied the German ministry of labour not to allow the envisaged controls of collective bargaining agreements since this would violate “Tarifautonomie”.

\textsuperscript{34} Hausmitteilung Abteilung Sozialpolitik an Abteilung Europäische Integration, 5. Juni 1975, in: AdSD, Bestand DGB, Abteilung Europäische Integration, 24/2076.


The lobbying proved quite successful. In the subsequent Council deliberations the contested paragraph was dropped.\textsuperscript{38}

The call for more “economic democracy” was hardly more than a slogan and it was anything but new: since the mid 1960s the DGB had lobbied for the inclusion of co-determination into the planned European company. Already by that time it had become clear that these German ideas would not make their way into European legislation since they were highly contested within the European trade union movement.\textsuperscript{39}

In the field of collective bargaining there were even more contradictions. On paper the \textit{DGB} asked for a “Europeanisation” of collective bargaining and an appropriate legal framework both on industry level and within multinational companies. But the internal discussions reveal that these statements were pure window dressing, in particular when considering that it was not up to the \textit{DGB} but to the powerful industrial unions such as \textit{IG Metall} to decide. The latter union had caused proposals for European bargaining in the coal and steel industry to fall already in the 1950s.\textsuperscript{40} Also in the debate of the early 1970s it was noted with concern in the \textit{IG Metall} headquarters that “there was too much talk about European collective agreements”.\textsuperscript{41} Late in 1971 the \textit{IGM} chairman Loderer made it clear that for his union even European framework agreements on working time or holidays were “not realistic”. In a similar way \textit{IG Metall} dissipated prospects for cross-border bargaining in multinational companies with its verdict that foreign capital had primarily to be challenged at national level.\textsuperscript{42}

\textit{The relationship between supranational and national social citizenship}

The preceding analysis should not be interpreted in the sense that the \textit{DGB} was genuinely uninterested in the EC’s social policy dimension. Rather it was the aim to show how the relationship between supranational elements and national social systems

\textsuperscript{40} Protokoll der Sitzung des Exekutivausschusses des 21er Ausschusses, 14. Oktober 1955, in: AdSD, Bestand DGB, Abt. Vorsitzender, 5/DGAI 91
was conceptualised by the German trade union representatives. On closer inspection it is most striking how much their views corresponded to the political status quo that has been outlined in the introduction above.

1. The DGB clearly supported the basic idea to confine EC Social Policy to complement and co-ordinate national social policy systems, with a particular focus on cross-border issues such as intra Community labour migration. On the other hand, German trade unions were not interested at all in a harmonisation of national social citizenship regimes through a transfer of competence to EC level. Prime examples for this attitude are the opposition to proposals for a European labour agency or a harmonisation of social security systems. Moreover, the DGB insisted on what would later be called the principle of subsidiarity: EC legislation should not restrain too much the scope to carry out social policies at national level. In fact, the autonomy discourse was even invoked in a double form: As can be seen with the above mentioned example of equal pay the DGB was not only against European interference in national matters but also against any “violation” of free collective bargaining. Economic (as opposed to social) citizenship rights, and thus organisational stability of German trade unions themselves, were seen at risk by this EC directive even though internally it was admitted that equal pay was far form being achieved in Germany.

2. In the DGB view, social policy at EC level was not primarily to be carried out by the creation of additional supranational authorities. The union was unenthusiastic about suggestions for a European “commissariat de plan” or a central labour agency in Brussels. It preferred the method of co-ordination of national social and labour market policies, e.g. by means of more sophisticated data exchanges and a system of regular monitoring. In a similar way, the creation of a European archive for collective bargaining was called for, which would collect data from all Member-States and make them available for exchange across borders. Thus, European institutions were also identified as service-providers for national actors.

3. The German trade unions also supported the limitation of EC Social Policy to regulatory matters. EC institutions were supposed to concentrate on the procedural regulation of problems that resulted from market integration. At

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most, they were granted the right to set certain social minimum standards. On the contrary, the DGB was highly sceptical against any attempts at including components of monetary redistribution into European social policy. The transfer of resources was to remain a domain of the Nation-State. In Europe similar ideas were seen as “premature” because they would not take into account the different traditions and value systems of national societies as well as the democratic deficit of the European Community political system. Interpreted in the Social Citizenship framework the DGB rejected the idea that the classical republican question of how to empower citizens to exercise their rights in accordance with the prevailing social standard\(^{44}\) was even posed. EC social policy was not seen as a means to equalise people’s life chances. If there was any concept of a European solidarity it had to be “neutral” in terms of monetary transfers, and “empowerment” would be limited to the mutual provision of information and statistics, and the adherence to certain social minimum standards under which it was impossible to fall. In a way, the DGB put forward those arguments that in the 1990s were to become the basis of the “no demos” thesis: Since there was no such thing as a European people the EC lacked democratic legitimacy, and it could thus not become the \textit{locus} of a Social Citizenship in the republican sense.

In summary, the strikingly close resemblance of German trade union thinking to the \textit{status quo} of European social policy in the 1970s should again be emphasised. If there were any social forces aiming at a change in the relationship between supranational and national elements of Social Citizenship in Europe at that time the German labour movement was not among them.

\textbf{European market integration, social citizenship and the trade unions}

A useful starting point to approach the question for the reasons of this DGB approach is an argument put forward by Paul Teague in an analysis of British trade union attitudes towards the EU: Teague concludes that the failure of British labour to develop any far-reaching strategy for European economic and social policies was due to its “naïve

\(^{44}\)Cf. the contribution of Feriel Kandil in this volume.
Keynesianism”, that is, its deeply rooted belief that such policies could only be successfully implemented at national level because it was there that labour could best challenge the dominance of capital.\textsuperscript{45}

One needs only to remember some of the DGB arguments against European collective bargaining arrangements to see that a similar thinking prevailed among German trade unions. This also helps to explain the discrepancy between the union’s fervour to be represented as the voice of labour within all European institutions and its limited interest in the actual questions of European legislation, as has been pointed out by Patrick Pasture.\textsuperscript{46} In 1973, for instance, the DGB, together with the French FO for months blocked the organisation of a European social policy conference because the European Commission also wanted to invite DAG and CFTC, two rival white-collar trade unions.\textsuperscript{47}

The frequent complaints by the ETUC secretariat about national federations claiming to be represented but not sending their delegates to the subsequent meetings\textsuperscript{48} only demonstrate how much even the involvement into EC institutions was judged according to the importance for national policy matters. Representation served foremost to provide information of new European developments to national headquarters and to lobby EC institutions in order to give positive European incentives for the expansion of national social systems while at the same time avoiding any negative repercussions. Incidentally, this was even the case for discussions within the European trade union movement that could have an effect upon social policy debates in Germany. How important this role of European representation was in practice can be grasped in a remark of the IG Chemie Chairman Hauenschildt who, in a DGB discussion of the ETUC action program, pleaded to close the debate immediately if he could be reassured that there was nothing in the ETUC document that could be used as an argument against the trade unions domestically.\textsuperscript{49} In turn, the DGB responsibles in Brussels were heavily criticised when they had not taken into account the potential of such repercussions. This was the case

\textsuperscript{46} Pasture, Has European Integration, p. 29.
when in 1978 the *DGB* Chairman Vetter publicly advocated the ETUC demand for a shorter working week as the most important means to combat unemployment while this issue was still highly contested within the German union movement.\(^{50}\)

Occasions for a positive use of “Europe” were rare. One example was the co-determination debate in the early 1970s in which the DGB convinced the other European trade unions – despite their substantial reservations – to go along with the German model, which led the European Commission to incorporate the proposal in the draft European Company Statute. It was not so important for the German unions that there was still practically no chance to implement these concepts on EC level. The real issue was that the “new situation in Europe” could now be invoked in the national German co-determination debate\(^{51}\).

If Teague’s argument helps to explain the predominantly national thinking of German trade unions on a more fundamental level it only gives rise to new questions. Of course, the reasons for this national attachement of the labour movement are well documented. On the one hand they came to be accepted as negotiating partners by most European Nation-States during the First World War, a position they were able to expand considerably after 1945. At the same time the labour movement felt the appeal of national identity.\(^{52}\) Yet, while acknowledging this legacy of labour history the role that the trade unions envisaged the European Community to play still remains unclear. The contention that it was not to perform Keynesian interventionism does not mean that the *DGB* did not have a European vision at all. Here, so my basic argument, one has to go back to the question of economic market integration. Because the most striking continuity of German trade union thinking on European integration was not, as some of the debates of the 1990s seem to indicate, the preoccupation with the dangers of “social dumping” but the support for free trade and European market integration.

Pasture has convincingly shown that the origins of this attitude date back to the inter-war period; since the 1920s both the “free” as well as the Christian European trade

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\(^{51}\) Deutscher Gewerkschaftsbund, Geschäftsbericht des Bundesvorstands 1975 bis 1977, pp. 34f.

unions favoured the removal of trade barriers and the formation of a European customs union.\(^{53}\)

After World War II there was a broad consensus in German trade union circles that the economic protectionism of the 1930s had had a damaging effect in Europe and that therefore a return to free trade was desirable, albeit in a form that would leave Member-State governments enough room to intervene into their national economic and social systems. This positive attitude towards European market integration was reinforced with the creation of the EEC: Already in 1959 the DGB congress adopted a resolution stating that the Common Market would lead to an “acceleration of economic and social progress”, which on the national level alone could not anymore be secured.\(^{54}\) Of course, this view reflected the German export boom of the 1950s; an increasing part of German economic growth depended on international trade, and, at least within Europe, the EEC would created ideal conditions for a further boost.\(^{55}\)

Reconsidering the earlier reflections on the relation between national citizenship regimes and European market integration one is led to conclude that the DGB was particularly aware of the enabling aspect of EC policy for national social citizenship: On the one hand it represented a regionally limited opening of the national economy, and thus left national governments space for discretionary intervention. On the other hand, it helped to foster economic growth in Germany on the basis of which the trade unions could stake their claims to improve wages and to expand the welfare state of the Federal Republic. The DGB even explicitly recognised that the maintenance of national welfare to some extent depended on the proper functioning of European markets – a view that comes close to Alan Milward’s famous formula of a “European rescue of the Nation-State”.\(^{56}\) Thus, it was not the case, as Teague’s argument would make us believe, that “Europe” was seen as a remote entity with no impact whatsoever upon the patterns of national social citizenship. However, Europe and the EC/EU were not perceived as a

\(^{53}\) Pasture, Has European Integration, pp. 2-3; in the German case this was a continuation of the support for the free trade principle already during the 19\(^{th}\) century: in the Reichstag debates about protective duties in the 1990s the conservative economist Max Sering wanted the German proletariat to realise that in the long run German labour would not benefit from an open world economy since German goods could not remain competitive against the Japanese or Chinese where labour costs were only 25% of the German standard. His words failed to convince – the Socialists constantly supported the free trade principle – cf. Kenneth D. Barkin, The Controversy over German industrialization 1890-1902, University of Chicago Press 1970, pp. 153f.


social but as an economic community, and the assessment of European market integration was, at least until the 1970s, very positive. We can even go a step further and argue that the German trade unions, given the growth potential of the Common market for Germany, could not have a great interest in far-fetched visions for EU Social Policy if these would have had negative repercussions on the functioning of European markets, and, hence, German welfare. In fact, a similar line of argument was adopted by the DGB in the debate about a potential Europeanisation of collective bargaining. Its view was that European agreements did not make much sense foremost because they could induce trade unions in low-wage countries to push for the standards prevailing in the rich Member-states resulting in a distortion of competition that was “not desirable”.

Probably the DGB feared that such experiments could lead to an overall crisis, giving rise to a new wave of protectionism that would hit the German economy badly. Yet, this amounted to a complete reversal of the DGB’s public statements: the purpose of trade union strategy was not to counterbalance the economic bias of the EC/EU by a “social dimension” but, on the contrary, to avoid anything that could hamper the proper functioning of the European market.

So far, the other aspect of European market integration, the issue of regime competition, has not been mentioned. However, the fact that the stability of national welfare regimes relied on continued “national competitiveness” could not be ignored by the German trade unions. As the British example demonstrated industrial decline could not only nullify the expected benefits of the Common market for national welfare but, on the contrary, could multiply the negative impact, e.g. in the form of balance of payment problems. Accepting this logic meant for the trade unions to adapt their wage bargaining and social policy to the changing patterns of European trade. It is a commonly held view that the German trade unions were indeed highly aware of this responsibility; Wolfgang Streeck observed that they had a “keen sense of exposure to a volatile and competitive world market” and adapted their bargaining policy accordingly.

Since this was happening in a period of steady economic growth and rising incomes the union leaderships did not have too many difficulties to enforce their

strategy against internal critics. Streeck has even argued that industrial unionism made German labour structurally more amenable to arguments of national competitiveness because – given the enormous heterogeneity of companies for instance in the metalworking sector it institutionalised a policy of moderate wage claims that helped, at the same time, to keep in check sectionalist claims of more militant fractions of the union movement.\textsuperscript{59}

However, this strategy of adaptation to regime competition potentially implied considerable risks. In less favourable business cycles the positive employment effects of European market integration could then perhaps only be secured by compromising on previously achieved social standards. In labour intensive industries this amounted to a new form of the classical trade union dilemma between wage and employment interests, in capital-intensive industries it also included issues such as shift systems, working practices and industrial disputes.

In this ambivalent situation German trade union policy was not attempting to “counterbalance” the economic bias of European integration by supranational social policy but pursued a double purpose: the growth potential of European free trade was to serve the expansion of the German welfare state while at the same time negative repercussions on achieved wage and condition standards should be avoided. Until the mid1970s, the overall balance of this strategy was clearly positive.

\textit{Outlook}

The interpretation of German trade union attitudes towards European social policy in the 1970s leads to the conclusion that Europe and the Nation-State were seen in a relation of complementarity, the former being a primarily economic community that helped to sustain national welfare regimes. It was not by chance that within the DGB bureaucracy, for a long time, responsibility for dealing with EC matters fell upon the economics department. Stronger supranational elements of social citizenship were not desirable in this situation. However, as already emphasised, this strategy may have

owed much to the favourable macroeconomic climate of the post-war boom, and it is therefore interesting to look briefly at the 1990s to see whether German trade union positions have changed in the wake of a further push in economic globalisation and a more difficult domestic situation for trade unions in general.

In fact, “Europe” has received a much higher degree of attention in German trade union thinking since the late 1980s. There is hardly any DGB congress without a resolution praising the “European social model”. And it seems clear that there is also a shift in the evaluation of European economic integration. Although the DGB continues to emphasise the advantages of market integration for German exports there is now increasingly a concern about negative effects of the internal market on the social system of the Federal Republic. This concern has been voiced, for instance, in relation to the EMU project, and the pending eastern enlargement of the European Union. More and more, German trade union leaders warn against the dangers of “social dumping” and stress the necessity of European standards to counter the pressure they feel on the wages and working conditions in Germany. Thus, it is their domestic interests that push them more towards the European level.

Consequently, the more ambivalent view of the Common market went hand in hand with demands for a closer co-ordination of social and labour market policies within the EU. Compared to the 1970s, there was a shift away from the defence of national autonomy towards a more active European co-operation. Examples are the encouragement of the European social dialogue or the efforts of IG Metall for a European co-ordination of collective bargaining. In this context German unions are among those who favour rather strict European standards; IG Metall, for instance, promotes a concrete formula of wage bargaining co-ordination that would be composed of components such as inflation and productivity growth rates, and would thus be measurable in a rather straightforward way.

It remains to be seen whether this new strategy will yield tangible results. It is by no means self-evident that the other European trade unions will go along with the German

initiatives since the question of what constitutes "social dumping" is largely a matter of perspective.\textsuperscript{63} Indeed, some of them, being less concerned about the effects of regime competition may be inclined to take the view that the \textit{DGB} adopted during the 1970s. As far as the German trade unions are concerned, one should also not overlook the continuities in their attitude, despite the changes that have been described. As can be seen in the deliberations about the European Convention the \textit{DGB} continues to hold the view that the constitutional competence for social and employment policy should remain with the Nation-States. During the 1990s, the \textit{DGB} made it very clear on several occasions that “European employment policy” was meant less in the sense of supranational programs than of a better connection of national policies.\textsuperscript{64} A similar preference prevails in the collective bargaining field: Wage bargaining co-ordination is firmly put into the hands of national federations, even in companies that adopt the new European company statute: the statute itself does not contain any legal provision for collective bargaining.

The clear preference for national co-ordination instead of supranational regulation demonstrates how much German unions still feel they risk with a partial transfer of social policy to the EU level, given also the overall defensive position of trade unionism in most European countries in the 1990s. At the same time, one may wonder whether there is not also a logic at work that has less to do with European or national policy arenas but more, as Streeck has suggested\textsuperscript{65}, with internal organisational structures of the trade unions themselves. This question is particularly relevant with regard to the aspect of re-distribution. Even within the framework of European wage co-ordination German unions continue to insist that no transfer of resources across borders should occur, and that co-ordination should be based on the “neutral” concept of unit labour costs, that is, the relation between productivity and labour costs. It would be interesting to ask whether not the trade unions themselves, due to reasons of internal organisation, have actively contributed to the situation that still today the republican citizenship concept of an equalisation of life chances can not be addressed at the level of the European Union.

\textsuperscript{63} As a matter of fact, in the late 1950s \textit{IG Metall} was among those who opposed moves of American trade unions to insert a clause on “international fair labour standards” into the GATT agreement that were based on the concept of “social dumping” - cf. Everett M. Kassalow, \textit{The International Metalworkers Federation and the Multinational Automobile Companies: A Study in Transnational Unionism}, University of Wisconsin, Madison, 1974, pp.129ff.


\textsuperscript{65} See above, p. 15.