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To merge or not to merge?

The impact of union mergers and union independence on workers' representation in Germany

1. INTRODUCTION

In recent decades union mergers in countries such as Australia, the UK and Germany have resulted in the creation of large, multi-industry conglomerate unions. In Germany this process has more than halved the number of independent unions in the peak union confederation *Deutscher Gewerkschaftsbund (DGB)* from seventeen to eight. Today, the two largest unions in the *DGB* - the metalworkers union *IG Metall* and the service sector union *ver.di* – alone account for about 70 % of the confederation's total membership.

While there is a substantial and still growing literature on the processes and intermediate results of union mergers (Chaison, 2004; Keller, 2005; Undy, 2008) there are only few accounts which seek to compare merger-prone unions with those characterised by little merger activity (Moody 2009). This is hardly surprising given that the measurement of merger outcomes poses multiple conceptual and empirical challenges. As a result, the implications of mergers for union performance are only partially understood.

Although there are some indicators of union performance upon which observers of organized labour might readily agree, for example membership development and bargaining results, a more systematic consideration of outcomes across the gamut of union activity raises several questions. The most important of these questions is probably "outcomes of what?" Not only might scholars disagree on what are to be considered legitimate union functions, but the precise nature of these functions might also vary between distinct national systems of industrial relations.

Richard Hyman, for example, reminds us that national union movements differ in the dominant identities they embrace, and consequently also differ in the agendas they pursue (Hyman 2001:1). It follows that the criteria for evaluating the success (or failure) of union mergers need to account for the distinctive features of national union movements, as well as for the specific nature of unions' embeddedness within national industrial relations systems. In recognition of these between-country differences in union identity, and in their role within the wider political economy, this paper focuses exclusively on the case of German unions.

It seems apparent that the standards against which the success or failure of union mergers might be evaluated will vary *across* different national system of industrial relations. However, we contend that there are no universal benchmarks for evaluating the performance effects of mergers even *within* a given national system of industrial relations.

Indeed, the vast literature on "varieties of capitalism" has shown that the apparent convergence or divergence found in different systems of political economy has often proven to be a function of authors' selections of "subsystems" (Hall/Soskice 2001) or "sectors" (Streeck 2009), rather than of the universal forces posited by theory. The lesson to draw from this work in comparative political economy is that we ought to avoid bold and universal statements about the effects of union mergers in favour of more differentiated and fine-grained analyses. We suggest that one meaningful and systematic approach towards meeting this objective is to investigate the effects of merger separately for different union functions.

2. UNION FUNCTIONS

The notion of "trade union functions" goes back to the seminal work of Sidney and Beatrice Webb (1913: 150). They identified three union functions: legal enactment, collective bargaining, and mutual insurance. Somewhat later (1978, first 1935), Neumann arrived at virtually the same three-part typology of functions in his work on German unions. While classic accounts of unionism commonly distinguish these three union functions (Müller-Jentsch 1997, p. 84ff), the development of industrialized societies in general, and welfare states in particular, has seen a change in the role of unions.

The following account schematically traces the development of union functions in Germany over time. It shows that some union functions have been emphasized while others have been de-emphasized, and that unions have expanded their repertoire beyond their classic functions.

In the contemporary German system of industrial relations, collective bargaining can still be considered a core union function. By taking wages out of competition unions still influence the working conditions of a majority of the German workforce. This holds true despite a gradual decrease in bargaining coverage that has reduced the reach of the unions' bargaining function (Ellguth/Kohaut 2008).

A second function, which has not featured in the classic accounts, is establishment-level interest representation through works councils. Although these are legally established independent of the union, the relationship between works councils (staff councils in the public sector) and unions is typically close, with a majority of works councillors carrying a union card (Wassermann 2002, Behrens 2009). While works councils have no legal rights to collective bargaining, they enjoy a series of participation rights in social, personnel, and economic matters. It is mainly works councils, rather than unions, which resolve workers' grievances at the establishment level (Müller-Jentsch 1995, Markovits 1986: 48-53). While the trend towards the decentralization of collective bargaining has seen the transfer of some collective bargaining responsibilities from unions to works (staff) councils - mostly through the introduction of so-called opening clauses - and has thus blurred the line between collective bargaining and establishment-level representation of employees (Bispinck 2004, Nienhäuser/Hoßfeld 2007), the general division of labour between unions and works councils still remains intact.

The function of mutual insurance (Webbs) or "genossenschaftliche Funktion" (Neumann) - as a third function - has changed massively in the course of the last century (Hassel 2003, Weinert 1994). It has largely been taken on by the modern welfare state with its four pillars - the pay-as-you-go pension system, health-, unemployment-, and nursing care insurance - or in the case of formerly union-owned banks, grocery stores and housing stock, has largely been de-legitimized in a series of scandals and mismanagement. Notwithstanding some remaining elements of union-based mutual insurance in the construction industry, on the whole this function is largely limited to unions' involvement in the tri-partite administrative structures of the German social insurance system (Döring/Koch 2003). Thus, while unions'

mutual insurance function has not completely disappeared, it has largely been transferred to the state.

The (forth) function of "legal enactment", as observed by the Webbs and Neumann, targets a variety of different aspects of the legislative and judicative sphere. Unions seek to influence the process of lawmaking, policy implementation, and the judiciary, but also play an important role in mobilizing their constituency in public elections (Behrens, Hamann, and Hurd, 2004; Wiesenthal/Clasen 2003).

Finally, there is a fifth union function which we tentatively call "civic engagement". Civic engagement is in some sense political engagement because, much like "legal enactment", it frequently targets office holders. However, the subject matter of civic engagement is broader, extending beyond purely economical concerns of union members. It is typically manifested in the form of coalitions formed between unions and other actors in civil society (Frege et al. 2004). When the German labor movement emerged in the nineteenth century it developed itself as a strong political movement which enabled unions to reach out far beyond purely economic issues (Frege 2003:249f). Although part of this political repertoire has later been institutionalized as a part of a process of "juridification" (Erd 1978), unions still consider themselves as political actors even beyond the workplace and are engaged in political struggles such as fighting right-wing extremism and xenophobia .

As already noted these five union functions are neither static in the sense that they do not vary over time, nor are they mutually exclusive in the sense that every kind of union activity could be assigned to only one union function. What we do argue, however, is that the five union functions characterize the lion's share of union activities vis-à-vis the broader society.

There are other, more indirect union activities, which might be crucial prerequisites for the pursuit of direct union functions. Without a solid membership base, sound financial resources, a high commitment among union members, and the ability to mobilize those members for industrial action, hardly any union would be able to pursue most of its core functions successfully. We do insist, however, that those indirect activities are not an end in itself. While much of the current debate on union revitalization or union-renewal puts considerable emphasis on the key issue of union membership organizing, we suggest that organizing is not a direct union function. A solid membership base (be it a high number of union members or a high union density or both) alone does not provide good wages and working hours to a majority of the workforce. Undoubtedly it raises union power at the bargaining table, however functional equivalents for direct union power such as provisions for the erga-omnes extension of collective agreements or state-mandated union control of labour supply might be able to provide the same or even superior results.

3. GERMAN UNION MERGERS

During the 1990s a wave of union mergers consolidated the structure of the German union movement substantially. This period of restructuring began in 1989 when *IG Medien* was formed through the amalgamation of *IG Druck und Paper* and *Gewerkschaft Kunst*, and reached its zenith in 2001 with the merger of five unions to establish *ver.di* (Addison, Schnabel, and Wagner, 2007, p.10). A useful graphical summary of the mergers in this period is provided by Waddington, Kahmann, and Hoffmann (2005, p.40), reproduced below in diagram 1.

Diagram1: German union mergers 1950-2001

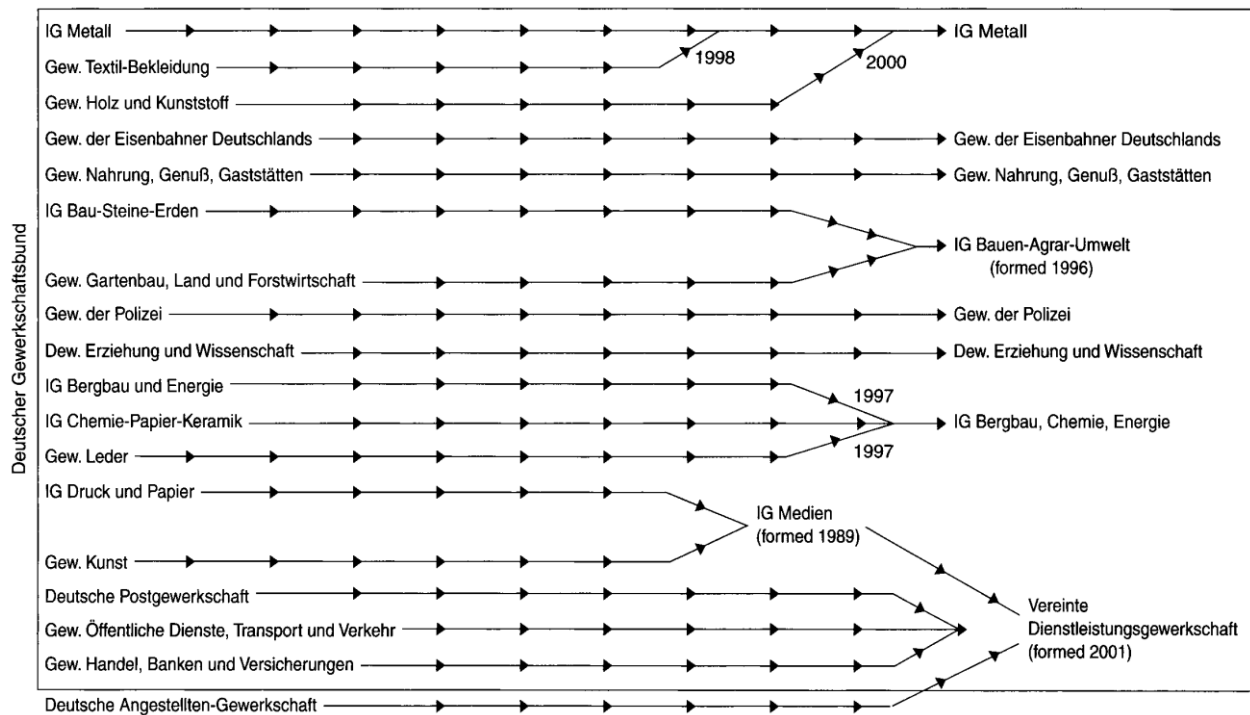


Figure 3.1 Charting the German structural transformation, 1950–2001.

The diagram shows that the number of unions more than halved between 1989 and 2001, declining from seventeen (eighteen if the *DGB*-unaffiliated *DAG* is included) to the present eight. This extensive restructuring stands in stark contrast to the highly stable structure that had characterized the German union movement since the formation of the *DGB* in 1949 (Waddington and Hoffmann, 2000, p.114). Not surprisingly, academic interest in the recent merger activity of German unions has been high.

In the literature on German union mergers two broad strands can be distinguished. The first adopts a macro-perspective. Waddington and Hoffmann (2000), for example, focus on the reasons underlying the German merger process generally, and identify industrial restructuring as well as adverse developments in union membership and finances as key explanatory factors. In a similar vein, Müller and Wilke (2003) trace the historical development of German unions to provide an institutionally-focused account of the recent trend towards conglomerate unionism.

By contrast, the second strand in this literature examines the merger process through the detailed analysis of specific merger events. In particular, case studies are used either to analyze a single merger exclusively, or to compare and contrast multiple mergers. Of all the German union mergers the case of *ver.di* has so far attracted the most attention. Keller (2005), for example, has examined different aspects of the *ver.di* merger with an emphasis on performance outcomes. Similarly, Annesely (2006) and Kirsch (2008) use the *ver.di* case to provide an assessment of mergers as a strategy for union revitalization. Greater analytical complexity is evident in Kahmann's (2005) side-by-side comparison of the causes, negotiation processes, and outcomes of the *ver.di* and *IG BCE* mergers. Waddington et al (2005) extend on this approach by adding an international dimension in their comparison of *ver.di* and *IG BCE* in Germany with *GMB* and *UNISON* in the UK. All of these studies seek to provide an assessment of the 'performance' of the merged union(s), albeit with differences in explicitness and focus. However, we are not aware of any research on German mergers that has explicitly examined the performance of merged unions vis-à-vis those that have remained independent. This paper is an attempt to do so.

4. UNION EFFECTIVENESS

In the following we will investigate the impact of mergers on union performance in three selected areas: political action, collective bargaining on qualitative issues, and representation through works councils. Thus our analysis covers two of the classic union functions identified earlier (“collective bargaining” and “legal enactment”), as well as the relatively more recent function of “establishment-level interest representation”.

With a total of eight affiliates remaining within the *DGB*, the number of union cases available for investigation is rather limited. For our analysis we chose four unions, two which are independent and another two which were subject to union merger. The two independent unions are firstly the food workers’ union (*NGG*) with its 205,000 members, and secondly the 248,000 member education union (*GEW*) (both figures for the year 2009) which predominantly organizes employees within the public sector. Both *NGG* and *GEW* considered merger with other unions as strategic option in the 1990s, but ultimately decided to remain independent. We contrast *NGG* and *GEW* with two unions of approximately similar size that were part of a merger: the media industry union *IG Medien* (179 000 members in 1999) and the textile and clothing union *GTB* (183 000 members in 1997). *GTB* merged with *IG Metall* in 1998, and *IG Medien* was one of the five unions to form *ver.di* in 2001. While the case of *GTB* represents an example of union “absorption” (Waddington 1995: 18f) or “transfer” (Undy 2008: 7), the case of *IG Medien* constitutes a case of union “amalgamation” (Waddington 1995: 18). The availability and quality of data varied between our four cases, not least because the research is still in progress and data collection is ongoing. Our findings should thus be considered preliminary.

4.1 Legal enactment function: Political Action by German unions

This section explores the political activity of our four selected cases in order to shed light on how merger status (merged/independent) relates to unions’ political function. We follow Hamann and Kelly (2004, p.94) in adopting a broad conceptualization of union political action as spanning the three spheres of elections, legislation, and policy implementation. Our findings are primarily based on interviews with former and / or current full-time officials at the senior leadership level of the four unions. We asked officials about their views on the activity and performance of their union in the political sphere. We supplemented the interviews with data from union documents (e.g. operating reports, media releases) and other documentary sources.

The section covers three main aspects of political lobbying: *tactics*, *subjects*, and *overall strategy*. A number of our empirical illustrations are drawn from *Nordrhein-Westfalen* (NRW - North Rhine-Westphalia), the most populous, and hence politically very significant, state in Germany.

In this context it is worth noting that German unions tend to lobby across different levels of politics. This reflects Germany’s system of federalism, which divides the responsibilities of the State between federal, state, and municipal governments. For example, the former *IG Medien*’s initiatives to shape copyright laws are mainly focussed at the federal level, simply because the responsibility for this area lies with the federal government. By contrast, the *GEW*’s lobbying is directed mostly at the level of the individual states, because education is predominantly the responsibility of state governments. In addition, German unions seek to influence politics at the European level through their lobbying activity. Essentially, the political opportunity structure surrounding an issue tends to guide the hierarchical focus of union lobbying, irrespective of whether a union’s own locus of power is more centralized (i.e. national office) or decentralized (i.e. state branches).

We found no obvious connection between unions' merger status and the types of political *tactics* used. Both union types (merged and independent) drew on personal contacts / interactions, pressure tactics (e.g. submissions to inquiries, media statements), and institution-building to exert political influence. Here we focus on institution-building to illustrate similarity in tactics irrespective of merger status. For example, both *NGG* (independent) and *GTB* (merged) have created joint institutions with their counterparts from the employers' camp to help draw (state) government attention to the needs of their particular industries.

In the state of *NRW*, for example, *GTB* and employers have cooperated since 1996 in an initiative called *ZiTex*, which serves to politically represent and advance the interests of the textile and clothing industry. *ZiTex* stands for *Zukunftsinitiative Textil NRW* (Initiative for the future of textiles NRW). *ZiTex* received government funding until 2004, and has since been self-supporting. In the context of *ZiTex* two observations can be made about the political lobbying function of *GTB*. The first is that union involvement in *ZiTex* continued *after* the *GTB* was absorbed by *IG Metall* in 1998. The second is that *IG Metall* has continued its involvement in *ZiTex* even once government funding ended in 2004. This suggests that the political concerns of *GTB* continue to be recognized and actively pursued by *IG Metall* more than ten years after the absorption.

The second example of institution-building is a project called *NEW.S - Nordrhein-Westfälisches Ernährungs Wirtschafts – Sozialpartnerprojekt* (Northrhine-Westphalian food industry social partner project). *NEW.S* is a government-funded project between *NGG* and employers' associations that seeks to facilitate joint problem solving and industry development in the *NRW* food sector. The roots of *NEW.S*, which has operated as an association since 2001, lie in the strong personal relationships between *NGG's* leadership and certain government politicians in *NRW*. After the union initiated a one-off food industry round table in the late 90s, the idea of a more ongoing food industry 'partnership' project found favour with government politicians and led to the creation of *NEW.S*.

Prior to the 2005 election in *NRW*, *NEW.S* had provided the union with an important platform for dialogue with government, and had been a principal point of contact for government departments over matters of food industry policy and regulation. However, since the ascent of the Conservatives in 2005, interaction between *NEW.S* and the government has become much more muted. One indication of the deterioration in the quality of the relationship is the imposition of more restrictive funding arrangements for *NEW.S* by the Conservative administration.

While we found no significant differences in the lobbying *tactics* used by merged and independent unions, one might expect the *subjects* of lobbying to vary with merger status.

According to this proposition, unions with a narrow jurisdiction, covering a small number of different industries and occupations, might be inclined to lobby for more sectional, industry specific subjects. By contrast, encompassing, multi-industry unions could be expected to lobby for more universal subjects. Because mergers tend to create unions with broader jurisdictions and more heterogeneous memberships (most notably *ver.di*, which prides itself on representing more than 1000 different occupations) the subjects of lobbying are likely to become broader too as a union's status changes from independent to merged.

At a first glance, there appears to be little support for this proposition. Thus, it was *NGG*, a non-merged union with a relatively narrow jurisdiction (narrow at least when compared to *ver.di*) which took a vanguard role in the campaign for the introduction of a universal statutory minimum wage. *NGG* has called for a statutory minimum wage since the late 1990s, a position that initially saw it stand alone amongst German unions (Bispinck/Schäfer 2006: 359). More recently this demand has found support from most other unions in the *DGB*, and in January 2006 *NGG* and *ver.di* launched a joint campaign called *Initiative*

Mindestlohn (Minimum wage initiative). This ongoing campaign involved a broad range of measures (e.g. public advertisements, letters to parliamentarians) centred on public education and lobbying to elevate the political importance of the minimum wage issue with a view to the 2009 Federal election.

The minimum wage campaign benefited from the new office which *NGG* opened in Berlin in 2006 to strengthen its profile and parliamentary contacts in Germany's political capital. While a statutory minimum wage has not been achieved to date, successful political lobbying by the *NGG* and its allies helped place the issue firmly on the political agenda, with the *SPD* including the introduction of a universal minimum wage in its electoral platform.

The case of *NGG* can be contrasted with that of the former media union *IG Medien*. When *IG Medien* merged with four other unions in *ver.di*, it came to form the main body of the *Fachbereich 8 (FB8)*, one of the thirteen divisions comprising the new conglomerate union. Given *ver.di*'s diverse coverage one might have expected a marked shift in the *FB8*'s lobbying from narrow to broad subjects. However, the focus of the *FB8*'s lobbying remained firmly on issues pertaining to the media sector. Thus, the union has continually sought to defend and strengthen the *Künstlersozialkasse* (*ver.di*, 2007). Itself a product of earlier, successful union lobbying, the *Künstlersozialkasse* is a long-running, special funding arrangement which brings the self-employed in the media and arts sector into the public social insurance system. Other prominent sectional lobbying subjects for the *FB8* were the reform of Germany copyright laws, and the introduction of "freedom of information" legislation (*ver.di*, 2007).

In summary, our cross-sectional comparison of merged and independent unions found no clear differences between them on either their lobbying *tactics* (pressure tactics, networking and institution building) or their lobbying *subjects* (narrow vs broad). Yet it would be premature to conclude that merger activity has no impact whatsoever on unions' political function.

We found that merger status impacts union lobbying activity in the long-run by shaping the direction of *overall strategy*. This became evident when we examined the longer-term development of the former textile workers' union *GTB* (merged with *IG Metall*) and the (independent) education union *GEW*. Admittedly, this is an odd couple when considering that *GTB* is largely characterized by blue collar, low-skilled work within the private sector, and *GEW* by white-collar, mostly university trained employees within the public sector. However, despite these differences the two cases serve to illustrate the general phenomenon of merger status shaping the *overall* strategic orientation of unions over time.

Our analysis found that *GEW*'s decision in the late 1990s to remain independent had provided the impetus for re-orienting and sharpening the union's profile from that of being merely a 'teachers' union' to that of an encompassing union for all workers in education (*Bildungsgewerkschaft*). This more broadly framed self-understanding has flowed through to the union's aspirations and activities in the political sphere, where it has sought to position itself more strongly as an authority in both industrial relations and professional matters pertaining to the education sector (e.g. Keller, 2007). More generally, *GEW*'s broader framing as 'education union' represents an attempt to strategically re-position itself vis-à-vis the multiple competing, often occupational, unions active in the education sector (e.g. *Deutscher Philologenverband* and *Verband Deutscher Realschullehrer*). In short, the union's independence was inextricably tied to the development of its identity and profile as the 'education union' and, with this, its positioning as a key player not only vis-à-vis competing unions, but also vis-à-vis power holders within governments.

By contrast, for *GTB* the decision to merge with *IG Metall* led not so much to a sharpening of its profile, but rather to the mobilization of additional resources. Specifically, the greater resources and standing of *IG Metall* have 'rubbed off' on *GTB*, providing the former textile

workers' union with considerably more recognition and influence in political circles. In a telling example our interviewee described how easy it became as part of *IG Metall* to resolve ambiguities in trade regulation which employers had exploited to the union's detriment:

“There were a whole lot of disgraceful things to do with customs regulations that had been concocted in the Department of Trade. We got rid of all of them via *IG Metall*.”

4.2 Market function: Collective Bargaining on qualitative issues

As with political function, we found that merger status had varied effects on the collective bargaining performance of our four unions. Once again, our analysis is primarily based on interviews with senior union officials.

Turning first to our two merged unions, our findings showed that the collective bargaining position of both *GTB* and *IG Medien* prior to merger was poor, with little prospect of recovery. In both cases the merger provided access to greater resources (e.g. larger strike funds) which augmented the collective bargaining function of the two unions. In this sense the collective bargaining performance of both *GTB* and *IG Medien* improved with merger.

It was less clear, however, whether merger influenced the thematic scope of the bargaining agendas of the two merged unions. Specifically, one might expect the diffusion of innovative collective bargaining policy across the different 'sections' of multi-industry conglomerate unions. However, for both *GTB* and *IG Medien* there was little evidence that merger was associated with learning about, and the adoption of, innovative collective bargaining concepts.

Our findings indicate that *IG Medien* looked not to *ver.di*, but rather to *IG Metall*, for innovative ideas and applications in qualitative collective bargaining. As the following statement by a senior union representative indicates, the *IG Medien* feels that for the most important part of their jurisdiction (print shops) there is little to be learned from the bargaining practices found within the service-sector occupations characteristic of *ver.di*:

“And our points of reference in discussions about collective bargaining, on our side, but on the employers' side, too, are more the metal and electrical industry, or the wood processing industry, or the chemical industry, but not retail, banking, insurance, or the public sector.”

Similarly, when *GTB* became part of *IG Metall* there was only very limited exchange in qualitative collective bargaining policy. Initial attempts at intra-organizational collective bargaining coordination were soon abandoned in favour of separate committees for the different sectors. To a large extent this reflected the difficulty of reconciling industry differences, later amplified by the addition of the wood processing sector through the absorption of the union *GHK*.

Perhaps most fascinating was the effect which merger status had on collective bargaining in the case of the education union *GEW*. It will be recalled from the section on political function above that *GEW*'s decision to remain independent went hand in hand with a sharpening of its profile as the industry union for all workers in education (*Bildungsgewerkschaft*). The concept of 'the education union' entailed the goal of developing an autonomous collective bargaining role for *GEW*. Previously, *GEW* had played a more passive role in bargaining, adopting the outcomes of public sector bargaining achieved by the union *ÖTV* (which later merged in *ver.di*).

“In the past we were irrelevant in collective bargaining – we didn’t do any of our own, either. We sat at the back of the collective bargaining train [steered by ÖTV] and rode along... And now we are at a point where we are developing our own collective bargaining activity – I’d describe it like that. And there is a hard indicator. Last year we managed to pull 3000 teachers off the job for a warning strike. (...) We are at the early stages of that development. That [strike] was a huge success for a union which is still practicing.”

While GEW has (re-)discovered collective bargaining as a major subject for the union's agenda, the NGG as the second non-merger union has always been quite active in the field of industry-wide patterned collective bargaining. As a legacy of the past, the NGG still benefits from a number of framework agreements on employment conditions as well as general agreements on pay grades (both types of collective agreements being up for renewal infrequently only), which the union considers to be superior to those found in other sectors of manufacturing. For important parts of its jurisdiction, however, the union has a hard time even getting a new agreement. While in the area of hotels and restaurants collective bargaining coverage is very low (reasons are – among other things - the company-structure of these sub-sectors, the high percentage of non-standard work and low union density), in other industries such as meat processing the union faces severe employer resistance, in the latter case culminating in the dissolution of the employers' association all together. Without a collective actor on the other side of the bargaining table, single-employer agreements are the only way for the union to establish collectively agreed standards within that particular industry. Given these constraints, bread-and-butter issues such as the regulation of pay and working hours dominate the NGG's agenda, and there is little scope for the regulation of more qualitative aspects of work.

4.3 Establishment-level interest representation: Union/Works Council relationship

Germany is renowned for its ‘dual system’ of workers’ interest representation. Within this system unions hold the exclusive right to negotiate collective agreements with employers. Typically, unions and employers’ associations conclude collective agreements that operate at the sectoral / industry level (*Flächentarifvertrag*). While the bulk of agreements are sectoral, unions also negotiate agreements with single employers / establishments (*Haustarifvertrag*). (Ellguth and Kohaut, 2010).

By contrast, works councils have a range of exclusive representation rights at the level of the establishment. Importantly, works councils are the primary vehicle through which unions are represented on the shop floor. Specifically, unions rely on works councils for member recruitment. Similarly, it is works councils, rather than unions, which usually resolve employee grievances. This duality differentiates Germany from countries operating a so-called ‘single channel’ system of workers’ representation through unions alone (e.g. UK, Sweden). For the unions it is therefore crucial to be well organised and influential in the works councils, and in 2006 almost three quarters of all works councillors were members of DGB unions.

In the following we report the results of six works council surveys conducted by the Institute for Social and Economic Research (WSI) between 1997 and 2007 in establishments with 20 or more employees. The comparability between the results of the six surveys is limited, firstly because the surveys are not based on panel data, and secondly because the survey methodology changed over time. Notably, from the 2005 survey onwards the methodology changed from a written to a telephone survey (for details see Schäfer 2005, 2008).

Thus, our analysis of indicators is based on rank-level values, for these are less prone to be influenced by variation in survey methodology than are absolute values. Specifically, we provide a relative ranking by union *within* a given survey on the following two indicators:

1) Works Councils' Union density; and 2) Works Councils' satisfaction with union support. We gauge union performance by tracing changes in ranks *between* surveys.

In the following table (table 1) we first compare the works councils' union density in pre- and post-merger times. Due to limited case numbers, the analysis is limited to *NGG* and *IG Medien*, only two of the four unions which we investigate in this paper. Table 1 displays the relative ranks of works councils' union density within the jurisdiction of a particular union in a particular survey, with the value of "1" indicating the highest average density within a given survey and "0" the lowest of those unions which were included in the analysis. Two of the six works council surveys cover the pre-merger years while another four surveys cover the time after the creation of *ver.di* and after the absorption of both the textile workers' union (*GTB*) and the Wood and Plastics Workers (*GHK*) by *IG Metall*.

An alternative calculation uses as a baseline (i.e. "0") the union jurisdiction with the lowest union density amongst works councils against which the union density of the works councils in the other union jurisdictions are plotted in terms of a percent-point difference. This alternative calculation mostly reproduced the results presented here. Due to space constraints full results of the percent-point differences are not reported here, but can be obtained from the authors.

Table 1: Relative ranks: Union density among works council members 1997-2007 (number of ranks – actual rank/number of ranks – 1)

	1997 (1. survey)	1999/2000 (2. survey)	2002 (3. survey)	2005 (4. survey)	2006 (special survey on restructuring)	2007 (5. survey)
IG BAU	0.29	0.22	0	0	0.4	0.6
IG Metall	0.71	0.78	0.6	0.8	0.8	1
GHK	0.43	0.33	-	-	-	-
GTB	0.86	[1]	-	-	-	-
NGG	0.57	0.44	1	0.6	0.6	0.4
IG BCE*	-	0.67	0.8	1	1	0.8
Verdi	-	-	0.2	0.2	0	0.2
HBV	0	0	-	-	-	-
DPG	1	0.89	-	-	-	-
ÖTV	-	0.56	-	-	-	-
IG Medien #	0.14	0.11	[0.4]	0.4	0.2	0
Total number of ranks	8	10	6	6	6	6

1.-2.survey: according to information provided by the responding works councillors, 3.-4. according to respondents information on occupation of their establishment, special survey 2006 und 5. survey according to sample data on occupation of the establishment (WZ 93, WZ 2003)

* Establishments within the jurisdiction of the IG BCE were not included in the first survey

[] Case numbers < 30

When comparing the non-merger case of *NGG* with the merger case of *IG Medien* we found that *NGG* started with a rank in the middle of the scale and – to use this crude approximation – remained at such an intermediate level in subsequent surveys. *IG Medien*, in contrast, started at a comparatively low rank and did not improve its situation significantly in later surveys. *IG Medien* remained at a low (indeed, the lowest) rank in the union density of works councils relative to other union jurisdictions (e.g. *IG Metall*).

While a high union density among works councils might be an important pre-requisite for union/WC collaboration within the dual system of interest representation it does not provide

the full picture. The works councils of small establishments, in particular, rely on the active advice and support of unions to represent workers' interests effectively. While the works council structures of large firms often comprise a number of works councillors who have been exempted from their regular job duties in order so serve as full-time employee representatives, works councils in small and medium-sized establishment usually lack these internal resources and thus rely on the support and advice of the union.

To analyse the impact of union mergers on the degree to which works council receive professional support we again refer to data provided by the WSI works council surveys. Within these surveys works councillors were asked to rate the support and advice they received from their union, with the responses on a five-point scale ranging from "0" (poor) to "4" (excellent). Again, we draw on this data to calculate the relative ranks of the unions (table 2), as well as the percentage differences from the bottom-case (not reported here). The results from the first survey (1997) are not reported as the wording of the question about union support was substantially different from that used in the five subsequent surveys.

**Table 2: Works councillors' satisfaction with union support
(number of ranks – actual rank/number of ranks – 1)**

	1999/2000 (2. survey)**	2002 (3. survey)	2005 (4. survey)	2006 (special survey on restructuring)	2007 (5. survey)
IG BAU	0.33	0.4	0.4	0.4	0.6
IGM	0.89	0.8	0.6	0.8	1
GHK	0.56	-	-	-	-
GTB	[0.22]	-	-	-	-
NGG	0.67	0.6	1	1	0.8
IG BCE*	0.78	0.2	0.2	0.6	0.4
Verdi	-	0	0	0	0
HBV	0.44	-	-	-	-
DPG	1	-	-	-	-
ÖTV	0.11	-	-	-	-
IG Medien #	0	[1]	0.8	0.2	0.2
Total number of ranks	10	6	6	6	6

1.-2.survey: according to information provided by the responding works councillors, 3.-4. according to respondents information on occupation of their establishment, special survey 2006 und 5. survey according to sample data on occupation of the establishment (WZ 93, WZ 2003)

* Establishments within the jurisdiction of the IG BCE were not included in the first survey

** Question was not included in the 1997 survey

[] Case numbers < 30

As table 2 reveals, works councils within the jurisdiction of *NGG* judged the support of their union rather positively in 1999, and *NGG* maintained or even improved this position until 2007, the last year for which data are available. In the case of *IG Medien*, works councils' satisfaction with union support was rather low in 1999/2000 but improved significantly in the third (2002) and fourth (2005) survey. It should be mentioned, however, that the high relative rank for the year 2002 can not be interpreted due to a low number of observations. The two most recent surveys (2006, 2007) again show a very low ranking for *IG Medien* relative to other unions. These results are confirmed by analysis based on percentage differences (not reported here).

So far, our findings on the union function of establishment-level interest representation suggest that the observable impact of mergers on union effectiveness is marginal at best. It appears that *IG Medien's* already weak (relative) position on the shop floor was not improved by merger. *NGG*, as the contrasting case of an independent union, started off in a better position than *IG Medien* in 1999/2000, and *NGG* maintained this relatively better position in subsequent years. Although the data we have presented is limited because it is based on a series of cross-sectional analyses rather than on a panel survey, it is still valuable in highlighting an important aspect often overlooked in the merger literature. While it is important to ask how mergers impact union performance, it is perhaps equally important to investigate which factors lead unions to merge in the first place. Seen from this angle, the lesson from our analysis of *IG Medien* and *NGG* is that mergers – rather than providing solutions for performance issues – act to structure the field of union representation in the sense that only unions with certain characteristics (e.g. high density amongst works councils) can afford to remain independent.

5. CONCLUSIONS

The previous sections have shown the value of conceptualizing the impact of merger status (independence vs merger) on union performance in terms of our typology of union functions. Our findings speak to earlier research which suggests that weighing up the pros and cons of mergers is no easy task. For each function there may be trade-offs. Thus, our analysis of “political function” showed that unions which participate in merger typically gain the advantages of increased resources and greater public visibility as part of the larger merged entity. By the same token the case of *GEW* shows that independence might help a union to broaden and clarify its profile, and thus establish itself as a stronger player in the political arena.

Further complexity is added when merger status is examined in relation to collective bargaining function. The findings from our two merged cases (*GTB* and *IG Medien*) suggest that becoming part of a larger organisation had no discernable effect on the qualitative bargaining agendas of the formerly independent unions. In other words, it appears that little in the way of qualitative bargaining policy was diffused to *GTB* or *IG Medien* from the larger merged entities. While it was not possible for the *NGG* to capitalize on its independence, partially because of more severe employer resistance within parts of its jurisdiction, the *GEW* gained somewhat from its independence by taking on responsibility for collective bargaining in the first place.

Finally, the analysis of the ties between unions and establishment-level works councils reveals that non-merger unions do comparatively better than merger unions but –somewhat surprisingly – have done so even prior to merger. This points us to an important issue. Mergers cannot be understood exclusively in terms of their impact on individual union performance. More significantly, mergers impact on unions through layering and structuring the overall field of union representation. Here our examination of the relations between unions and works councils points to the possibility of reversed causality. Specifically, it is not the case that mergers have weakened the nexus between unions and works councils, but rather that it is those unions with comparatively weaker ties to works councils that have merged in the first place. Thus, to completely understand the outcomes of union mergers, it is necessary to at least supplement cross-sectional research designs with longitudinal components. A second point rewards mentioning: this research has shown that the effects of merger differ when compared within the context of different union functions. While mergers might help unions to tap additional resources in the area of collective bargaining, they don't necessarily help in establishing close and collaborative relations with establishment-level works councils. These findings indicate that a more complete understanding of the effects of union mergers can be achieved from a perspective premised on unions “of parts” (to paraphrase the title of Thelen's (1991) famous book on German dualism) rather than as uniform and monistic entities.

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