

An Anglo-German Foundation Report

United we stand?

Trade Union mergers – UK and Germany compared

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Executive Summary

An ongoing series of mergers has resulted in almost continual change in the structure of British trade unions. By contrast, German trade union structure was a model of stability between 1950 and 1989, with 17 unions affiliated to the *Deutsche Gewerkschaftsbund* (DGB, German Trade Union Confederation) and the independent *Deutsche Angestellten-gewerkschaft* (DAG, Union of Salaried Employees). Since 1989, however, the number of DGB affiliates has fallen to eight, and as a result of mergers DAG has become part of a DGB-affiliated union. Drawing on evidence from four case studies, this comparative analysis traces the development of the merger process in the two countries by reference to pre-merger debates and positioning, the procedures whereby mergers were brought about and merger outcomes.

Advocates of trade union restructuring by mergers emphasise the potential benefits. In particular, they draw attention to the reductions in inter-union competition, the possibility of greater influence with employers and the state, and the better membership services that result from post-merger economies of scale.

The merger processes examined here were dominated by defensive issues rather than the search for potential benefits. For the majority of the unions involved in the four merger processes, membership decline was a central factor. Also, despite the introduction of extensive cost-cutting measures, several unions were unable to reduce costs to match the decline in income from members. Financial difficulties were widespread.

Although the German industrial relations system is subject to extensive legal regulation while Britain's is lightly controlled or 'voluntarist', it is in Britain that trade union mergers have been legally regulated since 1876. In addition to these differences in the legal regulation of the merger process, marked differences in merger strategy are evident. In one of the British and one of the German cases pre-merger negotiations and involvement were extensive, whereas in the second German case involvement was deliberately restricted in order to expedite the merger.

Differences in the number of unions that comprise the British and German union movements were key to explaining the inter-union dynamics of the merger process. In Germany, once the process was underway, there was a fear that a delay in a decision to merge would mean a union having to select a merger partner from among a range of potentially unsuitable options. The sheer number of British unions ensured that a wide range of potential merger partners was readily available.

Each of the four merger processes was associated with shifts in the character of union democracy. Traditionally union government has rested on vertical or industrial sections to allow different interest groups 'voice' within a union. Two of the mergers examined here were associated with the introduction of more extensive horizontal structures. These structures were intended to facilitate the participation and representation of, among others, women, workers of different sexual orientation and ethnic origin, young workers and part-time workers. Participants in the four mergers acknowledged that the overhaul of union constitutions and rules required by mergers facilitated the introduction of 'new' systems of union government.

Although the research demonstrates that mergers are primarily a defensive reaction to adverse environmental change, it unearthed little evidence to suggest that mergers are a satisfactory response to such changes. More radical strategies are required if the British and German union movements are to extend unionisation throughout the expanding private-sector services. As density is now at a post-war low in both Britain and Germany, the implementation of these more radical strategies cannot come too soon.

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Notes to the editor:

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