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**From Transmission Belt to Social Partnership:  
The Case of Organized Labor in East Germany**

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Since the extraordinary events of late 1989 which triggered the downfall of the East German communist party and state leadership under Erich Honecker, organized labor in Germany has undergone an extensive transformation process. Focusing on events in Eastern Germany, this paper first assesses the major reasons for the demise of the communist mass organization for labor in the German Democratic Republic and its failure to extricate itself in time for its longstanding role of a Leninist "transmission belt" subservient to the dictates of the ruling party. Thereafter the paper turns to examine the policies of the West German labor unions in Eastern Germany from the immediate phase of upheaval in the fall of 1989 to the present. After a broad review of organizational tasks which filled the unions' agenda throughout 1990, the paper concludes with a presentation of the economic and social problems facing unions in the new *Bundesländer* and the policies the unions have advanced to cope with them.

## Introduction

The extraordinary chain of events in Germany over the last year and one-half began with a suddenness and maintained a momentum unexpected by even experienced "GDR-watchers". It may be recalled that within the context of the crumbling Soviet bloc it was the mass exodus of East German citizens from their homes in the early Fall of 1989, followed by the opening of the Berlin Wall on November 9, 1989, which triggered *die Wende*, the downfall of the communist party and state leadership under Erich Honecker. Ultimately, this demise heralded nothing less than the collapse of the political and socio-economic infrastructure throughout the country.

Unlike the demonstrations of 1953 which originated at the workplace, labor was conspicuously absent during the upheavals of 1989. The thrust for change had its source in other segments of the population, not among industrial workers; and it was borne by originally marginal opposition groups, not by labor organizations. However, since then, labor issues have increasingly grabbed the public's attention, surpassing by far interest in the activities of the citizens groups which played such an important role in the early months of *die Wende*.

This paper intends to review the transformation process of organized labor and look at problems faced by the workforce in East Germany over the past year and one-half. For many of the questions involved there are as yet only tentative answers, inasmuch as the phase covered in this paper is part of an ongoing process. I hope, however, that at least some of the findings will provoke more questions and provide a basis for a broad discussion of recent events affecting labor in Germany.

1. The role of the *Free German Trade Union Federation* in the economic system of the German Democratic Republic (GDR)

The *Free German Trade Union Federation* (Freier Deutscher Gewerkschaftsbund - FDGB) was founded in Berlin in June, 1945 by older labor leaders who had survived the Nazi period. It was the first union recognized by any of the Allies on a broader scale. While celebrated as an important step toward the revival and unification of the German labor movement, it soon succumbed to the moves of the Communist *Socialist Unity Party* (SED) to instrumentalize this formidable labor organization for its own purposes. With the backing of the Soviet Military Administration, the SED transformed the FDGB

from an autonomous union into its largest subservient mass organization. By 1950, the statutes of the FDGB acknowledged its role as a "transmission belt", to use Lenin's term, in support of the leading role of the Party.

In contrast to the unions founded in the western zones of occupied Germany, the FDGB was constructed from the top down as a centralized body with obligatory membership. The members were grouped according to their place of work into branch divisions. Since the workers ostensibly owned the means of production and no class antagonisms existed, there was no need for traditional unions as protectors of workers' interests. The FDGB was systematically developed into an instrument of the Party used to put planning decisions into practice and ensure the full application of labor to the achievement of production goals. Beyond the actual inclusion of the FDGB in the planning authority, it was entrusted with such official duties as running both the government social security and the health insurance offices. Moreover, the FDGB was responsible for the largest travel agency in the GDR, an especially important instrument for distributing favors after the Berlin Wall was erected in 1961. By the same reasoning, the FDGB and the SED also deemed independent works councils, which had become an integral part of the system of labor relations in the Weimar Republic, to be superfluous and a potential source of opposition. Thus it was decided in 1948 to replace them with FDGB factory committees responsible for carrying through on Party policy at the workplace.

To the very end, the FDGB leadership never wavered from its devotion to the role this organization played in the system. As Harry Tisch, the last chairman of the FDGB, told the delegates to the 10<sup>th</sup> FDGB congress in 1982:

"At its third congress in 1950, the FDGB declared its goal to be the erection of a socialist social order. This goal was then anchored in our statutes. For the first time in the history of the German labor movement a union congress officially recognized Marxism-Leninism and the leading role of the revolutionary party of the working class and asserted its friendship with the Soviet Union and its support for the principles of proletarian internationalism. To these principles we have held unwaveringly. The third FDGB congress laid down our course for all time. That will always be so, that will never change!"

## 2. The FDGB in the Upheavals of 1989/90.

One of the most telling failures of "real socialism" in the GDR was its inability to address and react to changing demands posed by the complexities of production and distribution in a modern economy. As a bulwark of the system, the FDGB showed the same symptoms of immobility as the Party and other institutions. Although the FDGB main-

tained a network of informants who regularly submitted detailed reports showing many of the growing economic and political problems which had begun to undermine the relative stability of the system by the mid-1980's, its transmission belt role precluded any chance of shedding its subservience to the Party, confronting the problems and advocating a new course. Thus, it is not surprising that the FDGB played no role in the *Wende* which sealed the downfall of the East German state.

Even after the first wave of removals had swept through the Party leadership and the whole organization was on the verge of toppling like a house of cards, FDGB officials recoiled from initiating a substantive reform policy. At best, they merely re-acted, trying to adjust to the rapidly changing situation by parrying attacks with half-hearted proposals for cosmetic changes. That stayed their final demise only temporarily and as the momentum of change grew, the underpinnings of the once proud mass organization disintegrated - i.e. the members turned their backs on the discredited torso, many tore up their membership cards, others just stopped paying their dues.

As such, by early December 1989, there had been no progress toward substantive changes. The FDGB still operated as a subservient instrument of the SED, the inner circle of leadership had not relinquished control over the huge financial resources, and no preparations for new elections had been made. The newly installed interim leadership had no concept of reform, and as such could not react adequately to the increasing revelations of past corruption and financial manipulations.

It was a coalition of department heads and other middle level officials, aided by the unsolicited support of demonstrating members, which at this point initiated the first serious attempt at reform. Under the leadership of a preparatory committee - so called because of its task of organizing an extraordinary congress of the FDGB - three immediate goals were postulated: the building of strong and autonomous unions, the organization of the individual unions into a federation with a relatively weak executive council, and, finally, the protection of union rights, especially the right to work stoppages, through the passage of a union law<sup>1</sup>.

The work of the preparatory committee was based on the assumption that if the FDGB could retain its role as the exclusive organization of employees, it could be rescued from

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<sup>1</sup> For a more detailed account of these events, see the Berlin labor paper, *Tribüne*, of December 11, 1989.

the brink of disintegration. For awhile, that role seemed to be endangered by the appearance of independent grassroots shop committees. Most of these were imbedded in the broad coalition of interests groups at the fore of the GDR reform movement. Many of them still hoped at this late stage that a factory movement similar to the one in Poland would materialize and become a powerful instrument of change. But this never did come about.

A basic explanation of this phenomenon, I think, lies in the quality of the protest movement in the GDR. Workers had shown themselves to be dissatisfied with their working conditions for years. But the regime had done its best over the years to avoid putting pressure on the industrial workforce, and the actual protest movement had ignited over the political issues of unrestricted travel, the elimination of the secret police and the dismantling of the political monopoly of the ruling communist SED. Another reason is that the FDGB reformers used their organizational advantage to marginalize independent dissenters when they appeared on the shop floor. Those scattered shop initiatives which did gain a foothold had little or no resources and soon proved incapable of mobilizing the broad support they would have needed to thrive. By early 1990, workers believed that there would have to be some kind of economic union between the two German states if the GDR economy was to be revitalized. In this case, the West German unions would then abandon their policy of "non-involvement", open their organizations to the East Germans and in the process make independent unions (and the FDGB) obsolete.

3. The Organizational Politics of the West German *Deutscher Gewerkschaftsbund* (DGB) in East Germany.

a) The Non-involvement Phase

The policy of non-involvement pursued by the DGB until February 1990 was certainly not designed with the failure of autonomous reform efforts in mind. The prospect of national unification was still vague, and in the words of Werner Milert, a key DGB official, the "contact diplomacy" approach of social democratic *Ostpolitik* still determined DGB policy toward the East. As such, the West German union leadership was not steering toward a quick takeover of the FDGB at this point. Rather, DGB leaders were concerned about avoiding charges of meddling in labor affairs in the still sovereign GDR, for there was no doubt that direct DGB involvement would have smothered the nascent reform movement. Labor groups, the DGB reasoned, should be given time to develop and institute their own programs for change. Besides, liberal and social democratic opinion in the West German media at the time expounded on the virtues of an indigenous op-

position in the GDR, criticizing those political parties and business groups which were establishing their influence by pouring money and material into the East, not to mention those out to make a fast *Deutschmark*<sup>2</sup>.

Only slowly did the West German unions react to the shift in East German public opinion from the cries of "We are the people" to "We are one people", a shift which reflected a new quality (the goal of German unity) in the course of shedding the dictatorial shackles. The first signs of this shift appeared in December 1989, and by the end of January 1990 the caretaker SED-government under Mr. Modrow was ready to negotiate on steps toward unification. Even then, the DGB and its member unions steered a cautious course, refraining from an open takeover by moving into the vacuum left by the fading authority of the FDGB.

#### b) The Phase of Support for the Development of Independent GDR Unions

At its extraordinary congress held on January 31 and February 1, 1990, the FDGB officially adopted the reform program of its preparatory committee, agreeing to decentralize the FDGB and erect autonomous industrial unions. That was a signal for the individual West German unions to become directly involved in the restructuring process. It also enabled the DGB federation office to extend financial and material aid and provide advisors while avoiding identification with and support for the politically tainted FDGB central office. The DGB now believed that it could find recipients for a program of underwriting unions which would adhere to the following goals:

- + + advocacy of the growth of democratic political structures from the bottom up;
- + + independence from political parties and recognition of the unity principle (*Einheitsgewerkschaft*);
- + + free collective bargaining, the right to strike and the banning of lockouts;
- + + codetermination at the shop level via works councils.

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<sup>2</sup> See Kurt Thomas Schmitz/Heinrich Tiemann, *Auf dem Weg zur Gewerkschaftseinheit - Ein Bericht*, in: *Deutschland-Archiv*, 22(1990), No. 10, p. 1611.

In a clearly worded statement, the DGB leadership wrote that

**"The FDGB does not meet these criteria. Moreover, it has discredited itself with the workers in the GDR. For this reason it can not be assumed that the FDGB will - in the interest of the workers - exercise a constructive influence upon the transformation process in the GDR. In this situation the DGB and its affiliated unions can have only one organizational goal, namely, the creation of a unified German union movement under the auspices of the DGB .... At the same time, there can be no consideration of a fusion of the two existing union federations."<sup>3</sup>**

In the period from February to May 1990 all of the DGB unions<sup>4</sup> invested much time and effort under trying conditions to establish their advisory capacity in the GDR. While cooperative agreements of varying intensity and content were duly reached by the union counterparts in all branches, the real problems continued to exist below the surface. Moreover, two of the unions involved, the public service union *ÖTV* and the teachers union *GEW*, faced the special problem of dealing with organizations composed of members with a high level of ideological commitment and political identity with the discredited party and state leadership. While the cooperative approach utilized by the other DGB unions was not rejected outright, both unions deferred from sole reliance upon this instrument, opting instead for a dual strategy of cooperation with the established organizations while supporting initiatives to build completely new, non-FDGB unions.

During the months of February and March, all of the DGB unions portrayed their role as providing the fledgling GDR unions with the organizational know-how they needed to develop as authentic trade unions. But the DGB emissaries were gradually turning their attention to taking over or replacing the GDR unions they had come to advise. After the election of March 18 in the GDR, in which the proponents of rapid unification were given a clear mandate, it would have indeed been foolish not to operate on this basis.

#### c) The Expansion and Take-over Phase.

On the East German side, a majority of the new industrial union leaders in the FDGB had come to the conclusion by early May, 1990 that the FDGB apparatus, to which they were still closely tied, was incapable of real reform. With an eye toward the upcoming national DGB convention scheduled for the end of the month in Hamburg, the industrial

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<sup>3</sup> Quoted from a decision passed by the DGB Executive Council on April 10, 1990.

<sup>4</sup> The West German union of white-collar employees (*Deutsche Angestellten-Gewerkschaft*) and the organization of civil servants (*Deutscher Beamtenbund*) were at this point already mounting ambitious campaigns to enroll members in East Germany.

unions withdrew their recognition of the FDGB, called for the disbanding of the organization, and announced their new goal to be the rapid fusion with their respective counterpart unions within the DGB. Throwing off the FDGB ballast was an important decision in the interest of change and it indicated an awareness on the part of these leaders that their credibility depended on such a step toward autonomy.

For the DGB and its member unions, the move made active involvement in union development in the GDR easier, removing the onus attached to dealing with any organizational entity associated with the FDGB. The new mandate was unequivocal: Now they could concentrate their resources on erecting an organizational foundation in the East in as short a time as possible. The DGB unions launched their activities without prior agreement to a single plan of action. Some of them wanted to take over the membership of the GDR unions *en bloc*, while another group announced plans to require prospective members in the GDR to fill out individual membership applications. A minority of the DGB unions even seemed ready at this point to fuse with their GDR counterparts.

While the DGB unions spent the rest of 1990 feverishly trying to rent office space, find housing for their employees, sign up new members and provide basic services to their constituents, the FDGB unions were firing their employees (many of whom began scrambling for the few available positions in the DGB unions), closing up their offices and holding a final convention to dissolve the organization. The FDGB itself was dissolved on September 30, 1990. By this time, all of the West German unions had opted for generally the same organizational strategy: Immediately following the dissolution of their GDR counterpart they would revise their constitutions and extend their organizational jurisdiction to cover all of united Germany. They would then cooperate with the GDR organizations to urge all employees to join the new unions. All of the DGB unions agreed from the start on two issues: One, that they would sign no agreements designating them as the legal successor to the corresponding GDR organization; and two, that all GDR applicants for positions in their unions would be required to sign an oath stating that they had not worked for the state secret police.

By the end of the year, the organizational takeover by the West German unions had been virtually completed in all but one instance: The East German chemical workers union will hold its "dissolution" convention in May, while the first all-German convention of the *IG Chemie-Papier-Keramik* is scheduled to take place in June. Finally, the DGB Executive Council has begun opening local and regional offices as well. This is an im-



portant and significant move because it is a central task of the DGB to provide legal services beyond those rendered by the individual unions.

The expansion of the DGB into East Germany was carried out for the most part within the recognized union organizational boundaries. Various attempts to raise the issue of organizational reform were nipped in the bud, and the inevitable union in-fighting over jurisdictional rights was - with one major exception - kept under control and for the most part out of the press. Union officials overwhelmingly reflected the general attitude of West Germans that what has been good for the Bonn Republic will be good for the new Germany. East Germany would be incorporated into the established West German patterns, structures and institutions - that was their understanding of the "unification" process. And in general, they did not hesitate to point to any number of polls showing that the East Germans felt the same way.

#### 4. Employee Representation at the Workplace

In the early stages of its reform efforts, FDGB officials attempted to prevent the establishment of independent shop committees as employee representatives. But wherever the FDGB factory representatives were regarded as servile perpetrators of the system, there was little they could do to prevent the founding of such committees. By the spring of 1990, even the FDGB factory committees were initiating action to form works councils modeled after those in West Germany. Today, many places of business and government offices have set up their own works council and held elections to choose their members.

As has already been noted, the grassroots impetus for change in the GDR was not a groundswell arising from the shop floor. The demands for democratic participation had not been preceded by institutional changes at the workplace and subsequently carried forward into the public sphere. But as the protest movement in the streets grew, its repercussions began to be felt on the job. Employees began demanding the recognition of a bonafide agent to represent their interests. The responses to such demands were varied. In some instances, the former FDGB representatives resigned from their positions and handed over the reigns to the insurgents. In other cases, the building of a works council had to be fought for against the will of the FDGB officials. In still other cases, clever managers, who had loyally served the SED, saw a chance to buttress their intention to take over the business. They took advantage of the confusion and inexperience, as well as the hatred many of their employees showed toward FDGB officials, to install a com-

pliant works council of their own. And finally, there have also been reports from some larger firms, that the members of the FDGB factory committee were encharged with building a new works council. Apparently, these official enjoyed the confidence of their fellow employees.

It is still too early to make any accurate assessments as to whether the works councils have been accepted as the legitimate representative of employee interests at the workplace. As an elementary part of the West German system of industrial relations, works councils have generally functioned well. However, this is no guarantee that they will prove their worth and be effective instruments of employee representation under the extremely difficult conditions into which they have been born. It has been difficult enough for West German works councils in individual companies on the verge of bankruptcy to achieve a measure of success and protect the employees from losing everything. The new works councils in East Germany are saddled with massive problems from the past; at the same time they are expected to find ways to save the jobs of their constituency (or at least cushion the advent of unemployment). In their inexperience they are often fearful of acting before being certain that there is a legal basis for their policy. And as conditions worsen, their frustration and paralysis may grow. On the other hand, if they are supported by both their fellow employees and the union, they may be ready to try out unorthodox approaches if such steps would provide hope for the future.

#### 5. The Development of Union Membership

At the moment, there appears to be a basic willingness on the part of East Germans to join the new unions. The available membership statistics show that the FDGB experience has not had the effect of creating a general anti-union sentiment. The East Germans are bringing with them high expectations, assuming that union membership can and will protect them from the economic crisis they now associate with unification. The FDGB played a paternalistic and authoritarian role for them, and there seems to be a tendency for many East Germans to transfer an abstract expectation of what "the union" can do for them to their new union affiliation. On the other hand, strike activity among railway and postal employees as well as at numerous metalworking plants indicates a readiness to become actively involved in the struggle for economic improvements. Still, despite such activity and the pressure on the unions to secure noticeable betterments in a very short period of time, there are very definite limits as to what the unions can achieve under the present conditions of economic crisis and budgetary cuts (See Section 7 below). Within the unions, the tension is growing, fed by this interplay between expectations and their

partial or non-fulfillment, by frustrations and disillusionment, and too, by the undeniable smugness and overbearing attitude of many West German union officials toward their new members.

6. System Change and Socio-economic Collapse in the New *Bundesländer*.

The high expectations which the East German population have attached to unification are the result of both the years of confinement and manipulation as well as the promises of "golden times" so readily extended to them by government politicians in Bonn. The message they heard was that the virulent West German economy would easily digest the remains of forty years of economic incompetency (*Mißwirtschaft*), remake the East in its own image of success and provide prosperity for all. To be sure, an economic "trough" would mark the passage from the old to the new system, but by mid-1991, economic indicators would be on the upswing and people could look with confidence to the future.

That scenario, propagated unabashedly by the incumbent christian-liberal government in Bonn during the series of elections last year, never had any realistic basis. Actual policy has in fact been based on a strategy of "creative destruction". In simple terms this means keeping subsidies to a minimum and allowing the East German economy to fall apart, the intention being to rid it of all unprofitable elements. The rebuilding process would be able to incorporate what remains. While the process of "creative destruction" is still in full swing, the precariousness of the situation it is producing has become painfully clear, even in Bonn. With a few noteworthy exceptions, i.e. in the automotive industry, among retailers and in the service industries, there has been no significant capital investment in the new *Bundesländer*<sup>5</sup>. In all too many cases, investors are waiting for property ownership rights to be sorted out and given legal clarity. The industrial plant is for the most part outmoded and does not meet West German economic requirements nor fulfill environmental standards. The public administrative infrastructure inherited from the GDR has to be completely rebuilt, in many areas - such as legal services - there are simply no qualified persons available, except for those who are politically incriminated.

Furthermore, not only is the East German industry unattractive to investors, its products are proving to be just as unattractive to buyers, East and West. With the protective Wall

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<sup>5</sup> Even these examples - without massive support - will do little to ease the problems faced by most East Germans since such investments turn on a strategy of building new, high-tech structures from scratch. Employment in such plants will be minimal.

gone, many East German products are proving to be no more than inferior copies of goods which could not be imported from the West. Having no market for their goods, East German firms have reached the end of the line. Since last August, unemployment has climbed from 4.1% to 8.6% (January 1991). Over half of the jobless are women. Another some 20% of the workforce is on a work schedule reduced by 40 to 100% (!). Half of these employees are on 100% reduced time, meaning that they are not working but are still being paid, ostensibly to enable them to enroll in vocational training courses. At any rate, they do not appear in the official statistics as being unemployed.

The temporary job protection agreements which created this situation were negotiated by the unions last Fall. The most important one of them - in the metal industry - is scheduled to end on June 30. As a study commissioned by the metalworkers union in Berlin shows, some 40 to 50% of the workforce in this industry will lose their jobs on July 1. Employees in the chemical industry and public service employees face similar prospects. Knowing this, and with no alternative in sight, an increasing number of qualified workers and white-collar employees are migrating to the West in search of jobs. There, the economy is still booming, to no small extent because the East Germans are satisfying their pent-up consumer desires by buying from and in the West.

7. Industrial Relations and Union Wage Policies.

With economic conditions rapidly deteriorating and unemployment rising sharply, the unions are caught in what seems to be a no-win situation in contract negotiations. At present, wage levels in East Germany generally range from 50 to 60% of those in the West. The existence of two separate wage regions within a single economic territory is anathema to the unions. If they are not able to effect a rapid increase in wages up to or nearly equalling West German levels, in spite of the huge productivity gap, there will surely be an increase in social unrest, a rise in the exodus to the West and a further decrease in political and economic stability. Moreover, if the unions fail in this first round of interest representation, they stand to lose the support of their new members. If they do achieve substantial wage raises, the higher cost of labor may induce a wave of job-killing, or price many products out of the market, erecting still another barrier to sorely needed capital investments. Despite such prospects, the unions have made their priority clear: They are striving for an equalization of pay in both parts of Germany within two

to three years<sup>6</sup>. Their argument is that this goal is a necessary and essential incentive for economic renewal. Better wages will produce better work and speed the needed increase in productivity. They will also increase the tax basis and provide a market for consumer goods. The unions are aware that many companies will not be able to afford higher wages and would face imminent bankruptcy. Those are costs of unification, they say, just as much as environmental problems are, and as such must be borne by the taxpayer.

## 8. Conclusions

Today, German labor faces its greatest challenge since the immediate postwar years of occupation. The task of expanding organizational coverage by approximately one-half within an extremely short period of time is bearing heavily on the financial and in particular on the personnel resources of the unions. Union officials are also having trouble filling positions needed to staff the offices in the new *Bundesländer*. In part, this is due to insufficient qualification, in some cases the reason is political unreliability. But of greater importance is the widespread instance of lethargy and passive expectation. Of course, there are always members in unions everywhere who expect "the union" to improve their lot without any particular sacrifice or input of their own. But after years of being watched over, taken care of and having favors and social improvements - when forthcoming - doled out to them, East Germans seem to be especially prone to such behavior. This fact alone puts a heavy burden on union educational programs as an instrument for promoting a democratic and participatory environment within the unions. For some union officials, however, the passive expectation behaviour of the East Germans is sufficient justification for them to start turning back the clock on internal democratization processes, claiming these to be detrimental to the union's functionality. This struggle over union democracy is an ongoing process and over the next few years, its progress will hinge on how well and at what costs labor succeeds in integrating these new members.

The huge increase in members reared in an authoritarian and paternalistic environment and longing for the tempting rewards of consumerism, which for years had dangled so close and yet, were unreachable, will surely have an enormous impact on the formulation and realization of union policy in the future. To be sure, old and new members, West and East Germans alike, will rally behind bread-and-butter demands for better wages,

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<sup>6</sup> Agreement on this principle has already been reached by employers associations and unions in the metall industry (3 years), in retail services and banking (2 years) and for several crafts in the construction industry (2 to 3 years).

especially following Bonn's recent announcement of substantially higher taxes. But it must be pointed out that union discourse in the West on appropriate demands for contract negotiations as well as concepts and new approaches for dealing with the problems of industrial society in the future have gone far beyond this bottom line: the reduction of work time, codetermination schemes (especially regarding the introduction of new technologies), furthering of women's rights, or environmental issues on the shop floor are just some of the components introduced into contract negotiations in the last few years.

Given the massive economic and social problems existent in the new *Bundesländer*, it is easy to see that this consciousness-expectations gap will take considerable time to overcome. Union officials must come up with answers to such basic problems as restructuring and rebuilding the economy, securing job opportunities for millions of workers and providing adequate retraining programs. Moreover, the bread and butter issue of attaining a higher standard of living for the East Germans is complicated and potentially full of conflict. Raising the standard of living is of course a primary goal of labor organizations in all Eastern European countries. But there are complications associated with its realization which are peculiar to the German context. The unions must try to satisfy both the "haves" in the West and the "have-nots" in the East; they are expected to simultaneously help speed economic recovery in the East and integrate the newcomers into the flourishing West German economy, without neglecting the welfare of the West German members. The Eastern European nations may look with envy upon the East Germans as being able to rely on such an economic powerhouse to pull them up to prosperity. But at the same time it is essential to acknowledge the strains on the social fabric and on the economy created by this unprecedented situation.

Beyond their policy goal of achieving wage parity between East and West Germany within two to three years, the DGB unions are proposing a number of other steps designed to make social unity - following economic and political unification - a reality in Germany. Various labor leaders have suggested erecting a solidarity fund, financed equally by employer profits and a percentage of employee wage increases negotiated in West Germany. The fund would be managed by the unions and used to provide loans and subsidies for improving the infrastructure in East Germany<sup>7</sup>. As yet, this model has not been adopted by the unions as part of their program for social unity.

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<sup>7</sup> See Rheinhard Bispinck, Können die Gewerkschaften so tun, als sei nichts passiert?, *Frankfurter Rundschau*, Feb. 25, 1991, p. 8.

In contrast, the unions are fully backing vocational training programs as a viable means of combatting the rising incidence of unemployment. And they are demanding greater say (codetermination) in the trust agency set up by the government to privatize and liquidate former state firms in East Germany. At the regional and local level, DGB unions have approached employers and employer associations, chamber of commerce offices, the state employment agency, universities and environmental groups, announcing their readiness to participate in planning and advisory commissions. Approval of such a cooperative effort has been signaled by some of the state governments in the new *Bundesländer*, but as yet, no such commission - independent of the trust agency - has been erected.

In my view, the DGB and its member unions will push to make such instances of social partnership more commonplace. The problems of integration and rebuilding, they will argue, are so great that all organized participants - unions, employers, government - will need to join in a concerted effort toward their solution. This does not mean that labor in Germany will accommodate itself to a pact based primarily on the stipulations of the other participants. The unions will not voluntarily relinquish their weapons of interest representation, merely for the sake of some ephemeral national harmony. But in fact, they have no real alternative concept to partnership to offer, and even if they did, they could not necessarily be certain of mobilizing the necessary support of the membership. On that basis, the unions will cooperate in a concerted effort. There is too much at stake not to join in such a pact: the economic welfare of Germany, Germany's role in the integration of Europe, and, not in the least, the role which the union can play in shaping this future.





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