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Keywords
unions, labor market, Germany, organizing, negotiation

Comments
Suggested Citation
Turner. (2009). Institutions and activism: Crisis and opportunity for a German labor movement in decline [Electronic version]. *Industrial and Labor Relations Review, 62*(3), 294-312.
http://digitalcommons.ilr.cornell.edu/articles/327/

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Industrial & Labor Relations Review

Volume 62, *Issue* 3 2009 *Article* 2

Institutions and Activism: Crisis and Opportunity for a German Labor Movement in Decline

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In recent decades, German unions have rested on their institutional laurels even as the ground has slipped away. This article analyzes two recent innovative campaigns based on grassroots mobilization that, the author argues, offer possibilities for renewed union strength. A breakthrough campaign against a militantly anti-union firm in the retail industry demonstrates the potential for a German brand of social movement unionism. The story line and institution-building strategy of this campaign fall entirely outside the framework of traditional German industrial relations. A second, very different campaign, from deep inside that traditional framework, has mobilized union members in Nordrhein-Westfalen (IG Metall's largest district) for active engagement in contract negotiations and membership growth. Together, these two stories challenge existing perspectives on once stable German industrial relations, point toward inadequacies of prominent contemporary theories of institutional stability and change, and suggest constraints and opportunities for a German labor movement in need of strategic reorientation.

INSTITUTIONS AND ACTIVISM: CRISIS AND OPPORTUNITY FOR A GERMAN LABOR MOVEMENT IN DECLINE

LOWELL TURNER*

In recent decades, German unions have rested on their institutional laurels even as the ground has slipped away. This article analyzes two recent innovative campaigns based on grassroots mobilization that, the author argues, offer possibilities for renewed union strength. A breakthrough campaign against a militantly anti-union firm in the retail industry demonstrates the potential for a German brand of social movement unionism. The story line and institution-building strategy of this campaign fall entirely outside the framework of traditional German industrial relations. A second, very different campaign, from deep inside that traditional framework, has mobilized union members in Nordrhein-Westfalen (IG Metall's largest district) for active engagement in contract negotiations and membership growth. Together, these two stories challenge existing perspectives on once stable German industrial relations, point toward inadequacies of prominent contemporary theories of institutional stability and change, and suggest constraints and opportunities for a German labor movement in need of strategic reorientation.

At the heart of the European labor movement are the German unions, and especially the German Metalworkers Union (IG Metall), a powerful 2.3 million-member organization that, more than any other single union, sets benchmark standards for collective bargaining in Europe. For more than a decade, however, German unions in a context of global liberalization have confronted declines in membership, bargaining power, and political influence; most important, they have suffered a weakening of the labor institutions—comprehensive collective bargaining and codetermination in a framework of social partnership—on which their power depends.

For too long, German unions have rested on their institutional laurels even as the ground has been slipping away. Beyond the traditional institutional approaches, however, innovative campaigns based on grassroots mobilization offer possibilities for a renewal of union strength, in processes of both institution building and institutional revitalization. This article examines two such campaigns.

First, a breakthrough campaign in the retail branch of the service sector, against the militantly anti-union Schlecker drug store chain, demonstrates the potential for a German brand of social movement unionism. The story line and institution-building strategy of this campaign fall entirely outside the framework of traditional industrial relations in the archetypal German "coordinated market economy."

Second, a very different campaign, from deep inside the traditional framework of labor institutions, has mobilized union members

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Industrial and Labor Relations Review, Vol. 62, No. 3 (April 2009). © by Cornell University.
0019-7939/00/6203 $01.00

for active engagement in contract negotiations and membership growth—another dramatic break with the traditions of German industrial relations. In Nordrhein-Westfalen, IG Metall's largest district, a new strategic orientation offers promise for institutional revitalization.

Together, these two stories challenge existing perspectives on once stable German industrial relations, and in so doing point toward inadequacies of prominent contemporary theories of institutional stability and change. At the same time, they suggest both constraints and opportunities for a German labor movement in need of strategic reorientation.

The Argument: Institutions and Activism

Apparently stable institutions, economic, political, and social, have been shaped in past processes of conflict and negotiation, and in the present are subject to continuing, often intense pressures that can result in incremental and eventually even transformative change (Thelen 2004; Streeck and Thelen 2005b). Little by little, and sometimes more rapidly, institutions may lose their shaping influence even as actors carry on in established channels of interaction. For unions and other actors committed to social regulation of a market economy, institutional erosion can be debilitating. If institutions are not defended, reformed, or revitalized, the anchors that protect and advance the interests of social actors can drift away.

In a market economy, coordinated or liberal, labor institutions must arguably be shored up in periodic episodes or campaigns based on grassroots mobilization.[1] This necessity, which on its face may seem onerous or even debilitating, is also a virtue—a resource for revitalization that employers cannot match. Such activist, as opposed to traditional, union strategies emerge when actors take advantage of opportunity located in social context and institutional openings. Particular opportunities make activist strategies credible and allow those strategies to gain both leadership and grassroots support—typically as a product of internal organizational debate. Unions, however, may or may not take advantage of opportunities. In the end, organizations and individuals can and do make unpredictable decisions that matter.[2]

The argument is framed by a brief look at German labor's postwar rise and decline, followed by contemporary case studies that demonstrate potential for renewal. Especially important in this regard are the late 1960s and early 1970s, a period when social movement turmoil threatened the stability of economic, social, and political institutions of all kinds, and a period that demonstrates in dramatic fashion the significance of social context for the revitalization of unions and labor institutions.

German Unions and the Social Movements of the Late 1960s and Early 1970s

After the horrors of the second World War, West Germany, with Allied support, for the first time in its history pulled together the ingredients for stable democracy.[3] One central element was a new structure of unitary unions, sixteen non-competing industrial unions to divide up the private and public sectors of the economy, linked together in one common labor federation. In negotiations with employer association counterparts, these unions would in time provide comprehensive collective bargaining coverage to most West German workers. Another ingredient, the works councils, appeared spontaneously in workplaces after the war, building on revolutionary and Weimar legacies, and were formally incorporated in legislation of 1952 and 1972. Together, comprehensive

[1]There are, of course, exceptions, as in Scandinavian countries, where labor institutions are unusually comprehensive and deeply entrenched.

[2]To clarify, the dependent variable is the *emergence of innovative, grassroots-based union strategies,* as opposed to their relative success, a related but entirely different question. Indications of the latter are noted along the way, but the analysis presented here centers on emergence.

[3]This section is revised and updated from an earlier comparative analysis of unions and social movements in the United States, United Kingdom, and Germany (Turner 2003:36–40).

collective bargaining and codetermination, including significant labor representation on the supervisory boards of large companies, became the institutional pillars of strong unionism and stable industrial relations in the postwar period (Markovits 1986; Katzenstein 1987:125–67).

While it may appear to some observers that postwar institution building in West Germany had little to do with democratic or grassroots mobilization, the opposite is true (Turner 2003:36–40). Postwar codetermination built on the legacy of the works councils that were institutionalized in 1920 as part of a deal to suppress the 1918–19 revolutionary movement of workers and soldiers. After the second World War, grassroots efforts by German workers re-established the works councils that Hitler had abolished in 1933. And a more strategic mobilization by German unions in the 1950s undercut employer efforts to turn works councils into "company unions."

What prevented union decline in the face of challenges from a conservative government that came to power in 1982, at a time when unions in the United States and United Kingdom, at the dawn of the Thatcher/Reagan era, were already in full retreat? German unions had been revitalized in three significant ways. The first was institutional. After the disappointment of 1952 codetermination legislation that drew sharp lines between unions and works councils, unions mobilized at the grassroots to run slates of candidates in works council elections. By the 1960s, in a process that would only deepen, unions had largely taken over the works councils, in effect turning these legally protected bodies to their own purposes. In so doing, the unions established two mutually reinforcing institutional structures for their bargaining agenda and influence: comprehensive collective bargaining at the industry level and codetermination at the firm level.

The second source of revitalization, especially important for the argument presented here, came with the social movements of the late 1960s and early 1970s. In one recounting:

> Unrest spread at the shop-floor level, which finally exploded in a wave of spontaneous unofficial strikes in September 1969. Dissatisfaction in the factories was fanned by the left-wing student movement that had proliferated in the wake of the Grand Coalition, but must also be seen as part of the worldwide upsurge in youth protest against the Vietnam War accompanied by a neo-Marxist critique of the international capitalist system. (Berghahn and Karsten 1987:210)

Unlike the close relationship between student and labor protest in France in 1968, the two movements remained quite separate in Germany. Labor unrest took shape in wildcat strike waves of 1969, 1971, and 1973. The result in the unions was shopfloor pressure on leaders to make more aggressive demands. As Berghahn and Karsten (1987:211) put it, "The response of the union leaders to the incipient rank-and-file radicalism was a traditional one: they put themselves at the head of the movement in an attempt to channel it." In other words, they rode a wave that forced them to incorporate rank-and-file demands, to bring aboard new shopfloor leaders including, in some cases, foreign workers, and to push for stronger union and works council rights in the workplace.[4] And such rights were soon legislated, in 1972 and 1976 codetermination revisions, by a Social Democratic government elected in 1969 with labor's support (Thelen 1992). The 1972 legislation amended the Works Constitution Act and was especially important for strengthening ties between works councils and unions. 1976 legislation increased the numbers of labor representatives on the supervisory boards of large German firms.

Social movement context was obviously a critical factor in the strengthening of labor institutions in the 1970s. Necessary, perhaps, but not enough: other elements of opportunity were also important. A divided federal government, the Grand Coalition of 1966–69, followed by the election of the first postwar Social Democrat–led government, provided institutional openings for unions to use shopfloor militancy and political clout to escalate demands—demands that successfully reformed labor institutions. And finally, unions engaged in internal debates in a con-

[4]A 1973 wildcat strike at the Ford plant in Cologne was viewed as a transformative event and still referred to by both works councilors and managers 20 years later as the "Turk strike" (author interviews).

text in which credible strategic alternatives contended. After first blocking grassroots pressure, some unions, including the pattern-setting IG Metall, gave way to suppressed rank-and-file demands. Those choices, given new opportunities located in social context and institutional openings, strengthened the hand of unions in their successful efforts at institution building.[5]

The West German labor movement found new vitality in the social movement context of the 1960s in yet another way. As the social movements subsided in the 1970s, a cohort of young activists found union jobs in a variety of different positions and capacities. By the 1990s, a "long march through the institutions" had brought some of them to positions of power and influence. Such leaders would, for example, play an important role in the Schlecker campaign described below.

The revitalization of German unions in the social movement context of the 1960s and 1970s stands in sharp contrast to the absence of revitalization in the same period in the United States. For reasons including conservative leadership and cold war anti-communism, labor leaders in the United States to a large extent blocked off unions from the social movements and their revitalization potential (Turner 2003:40–47). There were, to be sure, exceptions: the Memphis sanitation workers strike in 1968, for example, in which civil rights and labor movements converged in a path-breaking victory;[6] and the willingness of national SEIU president John Sweeney to hire social movement activists, launching the organizing momentum for what is now the largest union in North America. For the most part, however, unions in the United States missed the historic opportunity for a renewal of strength, sorely needed in the face of an escalating employer offensive that would result in a rout by the 1980s.

The Crisis of the Contemporary German Labor Movement

For German unions, 35 years have passed since the last period of social movement revitalization. Are successful strategies of recent decades sufficient in an era of global liberalization and neoliberal governance, when employers and the state are increasingly determined to push back union influence? Are strong institutions and top-down strategies enough to ward off decline? Is the traditional emphasis on wage policy enough? The answers have to be negative (compare Menz 2005; Schnabel 2005; Streeck 2005; IG Metall 2008). Union membership density and collective bargaining coverage have declined steadily since the mid-1990s (Visser 2006; Addison, Schnabel, and Wagner 2006; Bispinck 2008).[7] Employer associations, the union bargaining partners for comprehensive collective bargaining, have also been losing membership density and the coherence of a unified strategy (Schröder and Silvia 2006:9; Thelen and Kume 2006). Unions remain influential in German society thanks to an entrenched institutional position, especially in the manufacturing industries of the world's leading export nation. Yet IG Metall was weakened in 2003 in a failed strike effort, a defeat that can be understood partly as a result of union leaders' reliance on traditional institutions and strategies.[8] German unions

[5]Wolfgang Streeck (2005:141–42) makes the argument that unions used their increased power in the 1960s and 1970s to advance the interests of their own members rather than the broader work force and society. In this and subsequent bargaining rounds German unions thus placed added burdens on the welfare state, contributing in the long run to failed economic and social policy (resulting in part from "private use of the public interest"). If this is true, unions can hardly be faulted for responding to the demands of their members to use increased bargaining power to raise wages, as for reasons of internal politics they must do. Like the rest of us, unions have no crystal ball; and they also used their political power to expand the universal benefits of the welfare state, funded to a large extent through higher payroll tax receipts made possible by higher wages.

[6]See, for example, the extraordinary documentary film "At the River I Stand," Newsreel 1993.

[7]Overall union membership density dropped from 29.2% in 1995 to 22.65% in 2003 (Visser 2006:45). From 1998 to 2006, collective bargaining coverage dropped from 76% to 65% in western Germany and from 63% to 54% in the east. For Germany as a whole, 63% of the work force was covered by collective bargaining agreements in 2006: 54% of these in industry sector contracts and 9% in firm-level contracts (Bispinck 2008:7).

[8]In 2003, in a collective bargaining campaign demanding a shorter work week in eastern Germany, to match

from 2003 to 2008 played a popular but largely reactive role in defending the welfare state. And over time, declining membership can only mean declining influence even as unions retain a (weakened) insider role in the institutions of social partnership (Fichter 2003; Greer 2006, 2007).

German unions for the most part have not developed successful strategies to recruit new members, from young workers in manufacturing to women in retail services and call centers to young professionals in information technology industries (Schnabel 2005). They have recognized the problem, discussed it widely, held conferences, and unproductively complained at length about individualistic young workers and passive easterners. For the most part, however, they have not moved beyond existing approaches: exhorting over-extended works councilors to sign up members and exploiting situations of collective bargaining conflict and political protest to bring in new members. Time-tested traditional strategies come up short in the face of current challenges.

Indications that the German labor movement is in crisis are abundant and obvious. They include declining membership density and bargaining coverage; inability to consolidate and expand union presence in circumstances of continuing economic crisis in the eastern part of unified Germany; failure to organize expanding sectors of the economy such as private services, including low-wage occupations such as retail clerks, security guards, call center employees, and janitors; the high-profile collapse of worker and public support for a 2003 strike in eastern Germany led by the pattern-setting German Metalworkers Union; welfare state cutbacks in areas such as health coverage, unemployment insurance, and retirement, actively but ineffectively opposed by unions whose efforts, in spite of alternative proposals, have appeared largely reactive;[9] a protracted public sector strike in 2006, in which centralized bargaining structures collapsed and ver.di (the consolidated service and public sector workers' union) was forced to make unpopular working time concessions; and the absence (with important exceptions) of effective strategies to address European and global economic integration.

Union leaders are aware of and could perhaps take some lessons from current organizing and campaigning strategies, especially the emphasis on grassroots mobilization, in the American and British labor movements—adapted to their own circumstances (Raffo 2007; Schreider 2007a; IG Metall 2008). German unions have far greater resources at their disposal should they move in such a direction. They have institutional protections that could provide a strong platform for strategic innovation, in cases where this might make sense. Those same institutions, however, in providing the security of established channels of representation, also provide disincentives for innovation (see also Hassel 2007).

There are good reasons to resist a grassroots-oriented shift in strategy: the expense is great and funds must be reallocated from somewhere else (and in the German case, that "somewhere else" may itself be well positioned institutionally); union leaders set in their ways must be persuaded or pushed out; an influx of new members with fresh demands can destabilize an organization and challenge existing leadership. It may be that German unions, with still substantial institutional anchors, are simply not desperate enough to move toward the risky innovations of a more activist model—even if such strategic reforms are necessary to reverse decline (Behrens, Fichter, and Frege 2003; Annesley 2006). That some German unions are experimenting with new strategies indicates that innovation is possible in the contemporary context. Will it take broader social movement pressure, from inside as well as outside the labor movement, to accelerate the process and provide the force necessary for appropriate institutional reform? Must German unions wait for the unpredictable Godot of a new social movement wave?

German unions owe their strength, in part, to the effect of past social movements in building and revitalizing institutions. As a re-

standards in the west, IG Metall suffered its first major strike defeat in 50 years (see below).

[9]"Ineffectively" should be qualified by the widely held view that vast union-led demonstrations may well have set limits on further reform.

sult, unions remain institutionally anchored within the German political economy—so well anchored, in fact, that the urgent need for new strategies may go unmet. The two stories that follow illustrate exceptions, innovations that may offer German unions a way out. The first case demonstrates strategic organizing potential in low-wage private services. The second case shows the potential for the revitalization of worker interest representation in high-wage manufacturing. The cases involve, respectively, ver.di and IG Metall, the two large unions that dominate the German labor landscape.

Institution Building in the German Retail Sector: The Schlecker and Lidl Campaigns

Several years before the 2001 merger that created ver.di, Germany's consolidated service workers union, a remarkable campaign led by HBV (banking, insurance, and retail union) offered an alternative model for contemporary union strategy, bringing social movement activism to a German labor campaign.[10] The effort was led by a small group of union and rank-and-file activists employing a range of tactics that together amount to what in the United States would be called a comprehensive campaign.

The story begins early in 1994 when HBV officials in the Mannheim office were approached by several employees of Schlecker, a nationwide chain of small drug stores, a company with a well-deserved reputation for opposition to any works councils or union presence.[11] Pay records and working conditions showed both undercutting of existing contracts and violations of law. Union efforts on behalf of the employees met with no response from the company. When the death of an employee exposed unsafe working conditions (in this case, no telephone to call for help in a life-threatening emergency), labor practices at Schlecker received national attention. In the ensuing eight months, the union developed a broad campaign that would bring company abuses to the public eye, embolden employees, and force major concessions on their behalf.

Details are many, but the essence of the story is this. Schlecker is a nationwide German company consisting of mini-stores, often with no more than five employees. As of 1993, the rapidly growing company's 22,500 employees were spread across the country in 4,250 stores (Huhn 2001:24). The workers were and are mostly women, many working part-time, isolated from employees in other stores. Schlecker made its profits in part by paying the lowest possible wages and providing minimal working conditions. Company practice as of 1994 was to discourage any employee effort to exercise legally mandated codetermination rights, with works councils present in only a very small number of stores. As the HBV campaign developed, attention centered on fighting company abuses in pay and working conditions as well as establishing elected works councils to enforce agreements and negotiate improvements.

In response to aggressive company opposition, including intimidation of employees and the firing of activists, HBV leaders in Mannheim and Heidelberg, led by local union president Anton Kobel, developed step-by-step a campaign both broad and sophisticated. In contrast to established German labor practices based on relations of social partnership punctuated by occasional collective bargaining conflict, this campaign built on an explicit logic of social movement unionism.[12] Key tactics included active em-

[10]Ver.di was formed in 2001 by a merger of five unions: ÖTV (public sector, largest of the five merged unions), DPG (postal and telecommunications), HBV (banking, insurance, and retail), IG Medien (media, printing) and DAG (white-collar). Since then, the merged union has alternated with IG Metall as the largest German union. In 2007, IG Metall membership was 2.31 million compared to ver.di's 2.21 million (as reported by EIRO online, April 22, 2008—http://www.eurofound.europa.eu/eiro/2008/03/articles/de0803019i.htm).

[11]The Schlecker story told here is based on interviews with a number of participants and observers, including Anton Kobel and Uli Wohland, who played leading roles in the campaign; conversations with labor researchers and academic observers; and news reports, documents, and publications such as Huhn (2001); Bremme, Fürniss, and Meinecke (2007); Bormann (2008).

[12]Unlike the broader social movements that rise and fall in unpredictable historical waves, "social movement unionism" refers to a strategic orientation that privileges activist efforts such as grassroots mobilization and social coalition building.

ployee engagement, press conferences, legal proceedings, political pressure, and social networks that built support from a variety of social actors. Extensive publicity included the "shaming" of Anton and Christa Schlecker in the courts and in the public realm. The death of an employee helped expose company practices that drew Schlecker customers into an extensive letter-writing campaign and a de facto boycott that cut sales by up to 40% in some areas. Priests, ministers, politicians, and community leaders declared themselves "godparents," protectors of employees active in the campaign.

Given the significance of codetermination in the German dual system of industrial relations, union efforts to support the establishment of works councils were especially important. As do American companies in union organizing drives, Schlecker fought the union's efforts not only through threats to employees who stepped forward as works council candidates but also in jurisdictional battles. Given the small size of each store, the union demanded that the company sign a contract that would enable employees to set up regional works councils covering a number of stores, with enough employees to make representation meaningful. The company insisted on works councils for individual stores, effectively stripping each small employee group of any real power in relation to management. As part of the broader campaign, the union unilaterally established regional works councils, made up of employees in several areas of Germany willing to run for election and serve as works councilors even in the face of continuing company refusal to recognize the new representative bodies.

The campaign intensified through the fall of 1994 and winter of 1995. Facing severe losses of its customer base and reputation, Schlecker's aggressive opposition gradually gave way to concessions regarding working conditions and the enforcement of pay standards. Surrounded on all sides by legal, political, community, union, and employee opposition, the company finally backed down. In March 1995, the HBV national office in Düsseldorf signed an agreement with Schlecker that included recognition of works councils established at Schlecker on a regional basis, adherence to collective bargaining contract provisions with verification by the Labor Ministry, and the withdrawal of legal action against activist employees. In 1995 and the years following, works councils were established in regions across Germany, not everywhere but in enough areas with enough employee participation to become meaningful workplace bargaining partners. A general works council drawn from the regions negotiated company-wide agreements with top management. In 2000, the union and company signed a multiyear contract ("Anerkennungsvertrag"), above and beyond the sector-wide collective bargaining contract, that provided for regularized company recognition of works councils.

The picture is not all rosy. In subsequent years, Schlecker management renewed aggressive efforts aimed at hindering the establishment of new works councils. To weaken existing works councils, the company pressured employees and played works councilors off against each other, encouraging conflict between pro-company and pro-union advocates in the work force (Bormann 2008).

Nonetheless, independent worker interest representation remained firmly established throughout the company. By 2005, about a third of Schlecker stores in Germany had works council representation (see von Zglincki 2005:9). As of 2007, about 100 works councils represented employees throughout the company, and the general works council had proven itself a strong bargaining partner for management (Bormann 2008). While dramatic breakthroughs lay in the past, efforts to build more works councils and recruit union members persisted in the face of company opposition.

What explains the emergence of innovative union strategy at Schlecker? While causation cannot be established on the basis of one case study, the evidence points toward opportunity structure (in social context and institutional openings) and actor choice. The *social context* included two critical elements: the growing entry of women into the German work force, especially in low-paid service sector jobs such as retail sales; and the presence of numerous social groups, some with backgrounds in environmental, peace, women's, and other

movements, ready to take up the increasingly salient issue of economic injustice. *Institutional openings* included two contrasting elements. First, the space for innovation was wide open: no existing structures of representation at Schlecker blocked the way, nor did entrenched union leadership or set strategy (in a sector that unions had largely ignored). Second, German labor institutions—comprehensive collective bargaining, codetermination, education and training rights for works councilors—provided a viable basis on which to build, once the union decided to do this.

Finally, HBV leadership in Mannheim made the *choice* in 1994 to throw its energies into a major campaign at Schlecker, in a comprehensive effort based on the lessons of past social movements. Key "Mannheimers" had backgrounds in the social movements of the 1960s and subsequent social justice campaigns of various types. They had the requisite inclination and experience and were ready for the opportunity that presented itself.

When HBV merged into ver.di in 2001, the new national president Frank Bsirske praised HBV in Mannheim and the Schlecker campaign as a model for future union work in the service sector.[13] In 2004, building on the Schlecker experience, ver.di launched a similar campaign at a larger target, Lidl, a chain of supermarkets with 40,000 employees in 2,600 German stores (Schreider 2007b).[14] The immediate goal at Lidl was the same as at Schlecker: to set up works councils in the face of aggressive opposition from an anti-union company. In response to the concerns of employees who approached ver.di for help, union research exposed Lidl abuses, including low pay, violations of law, pressure on employees not to engage in union activities (including the firing of outspoken campaign supporters), and shifting ownership patterns that undermined employee efforts to set up works councils. Lidl ranked as the fourth largest retail firm in Germany and was spreading rapidly across Europe in a web of trusts and cross-holdings. The size and range of the company and its parent group allowed for an extensive anti-union repertoire of tactics and at the same time raised the stakes for union organizing.

The union's comprehensive campaign included the development of a core of activists in the company work force as well as social networks of support. The union brought Lidl abuses into the public sphere with press conferences and the publication of *Schwarzbuch Lidl* in late 2004 (Hamann and Giese 2004), and by 2005 the campaign was in full swing. As at Schlecker, the union framed the issue in terms of social justice and won backing from religious, human rights, global justice, and women's groups as well as prominent individuals from politics and society. Ver.di activists developed the Lidl campaign explicitly based on the lessons of the earlier Schlecker experience; explanations for the emergence of the new campaign are similar in substance and can be located in social context, untapped institutional possibility in a wasteland of representation, and strategic choice (itself a product of organizational debate inside ver.di).

The union committed to a three-year campaign. At the end of the third year (2007–8), however, the company continued to resist the establishment of works councils. Several hundred employees had joined the union, many more had gained new awareness of company policies and organizing possibilities, and a foundation now existed for potential future mobilization. Although the campaign still lacked a breakthrough similar to labor's accomplishments in the Schlecker case, significant victories in Stuttgart-Feuerbach and Hamburg in late 2007 and Rennigen bei Stuttgart in 2008 reflected local union mobilization, and brought to seven the total

[13]See, for example, an interview with Frank Bsirske called "veni, vidi-ver.di," *Hamburger Abendblatt*, March 10, 2001, p. 2.

[14]Data supplied by ver.di, December 2005. Information on the Lidl campaign comes from a variety of sources, including interviews with campaign leader Agnes Schreider and other ver.di officials; documents and web sites such as htpp://lidl.verdi.de, htpp://lidl.verdi.de/lidl/international, and http://lidl.verdi.de/international/english; news reports such as Dougherty (2006); the ver.di publication *Schwarzbuch Lidl* (named for company owner Daniel Schwarz; Hamann and Giese 2004), translated and published in English as the *Black Book on Lidl in Europe* in 2006. See also ver.di (2007); Röhlk (2008).

number of Lidl stores with works council representation (Röhlk 2008).[15]

Thus even as ver.di took major hits in the nationwide public sector strike in 2006, the union made only limited progress in expanding segments of retail sales. While the focus here is on identifying and explaining the emergence of innovative strategy rather than its relative success, the evidence also points to two factors that help explain limited progress at Lidl and at Schlecker after the initial victory: intensive counter-mobilization by the target company, especially at Lidl, and a weak national union commitment of resources and staff. Since unions have no control over the first of these variables, at least initially, the second is especially important. The successful Schlecker campaign was grounded in grassroots mobilization initiated by a local union and later supported at national headquarters, aimed at a relatively unsuspecting target. In the face of strategic counter-mobilization at Lidl, the union required a much greater commitment of resources and support. Although some local unions participated enthusiastically, staff could typically direct effort at the Lidl campaign only as one of several assignments. And the same was true at the national level, where resource commitment for such intensive campaigns is especially important. Even as ver.di designated the Lidl campaign a high-profile priority, only a small number of union staff were assigned to the campaign, and none of them were assigned on a full-time basis.[16]

In part, absence of support for the strategic innovations of a social movement unionism reflects continuing internal turmoil and staff cutbacks in a vast union, under siege on many fronts and still grappling with issues of focus and resource allocation in the wake of the problematic merger of five very different unions in 2001 (Pieper 2007:26). The Schlecker victory stands out as an exception in an overall picture of minimal strategic innovation and campaign success in rapidly growing retail sales occupations in which worker representation is weak or altogether absent (Jacobi 2003; Dribbusch 2005). Key elements of an opportunity structure are present. Expanded union commitment of resources and mobilization is arguably the missing ingredient. The Schlecker campaign offers a demonstration of innovative, potentially successful strategy, there for the taking yet largely neglected by national union leadership. In spite of considerable interest in grassroots-based strategies, ver.di's primary efforts continued to follow traditional channels that to a significant extent are no longer adequate to contemporary challenges (Annesley 2006; Bormann 2008).

Institutional Revitalization at IG Metall: Member Mobilization, 2004–2008

After prolonged membership decline and a major strike defeat in 2003, the German Metalworkers Union began in 2004 to move actively toward a new strategy of member engagement, a significant departure from past practice. Unlike the Schlecker campaign, the new approach did not include coalition building outside the union. Member mobilization, however, indicated a significant shift toward a more grassroots-based unionism, directed in part at revitalizing a weakened yet still substantial institutional base.

The central union demand in the failed collective bargaining campaign and strike of 2003 aimed at bringing work hours in eastern Germany down to the 35 hours-per-week standard in western metalworking contracts. A full analysis of the defeat is beyond the scope of the present analysis, but clearly an aggressive employer strategy that moved beyond traditional social partnership

[15]While only seven out of 2,600 Lidl stores in Germany had works councils as of spring 2008, successes in Stuttgart and Hamburg, in the face of strong company opposition, demonstrated the potential of grassroots mobilization, led in these cases by determined local activists.

[16]Information supplied by ver.di officials and external campaign supporters. As a point of comparison, the United Food and Commercial Workers in the United States committed *sixty full-time organizers* to a supermarket organizing campaign that began in 2007 in Arizona (author interviews in Tempe, March 2008). At 1.4 million members, the UFCW is considerably smaller than ver.di. Parallel commitments of staff have been made in the United States by SEIU in Justice for Janitors campaigns and by UNITE HERE in Hotel Workers Rising. To re-emphasize the dimensions of this difference, ver.di's national office as of early 2008 had committed *not a single full-time organizer* to the Lidl campaign.

relations drove the outcome (Raess 2006). Strategic failure, however, must also be laid at the doorstep of union leadership.[17] The outcome of the strike included not only a retreat from highly publicized bargaining demands but also a collapse of member support for the strike in both east and west. The union's failure to develop a coherent, winning strategy appeared linked to an ongoing leadership battle following the retirement of IG Metall president Klaus Zwickel, a struggle that intensified after the defeat. Jürgen Peters, architect of the failed strike strategy, won a narrow election victory, but only with an agreement on succession for his reform-oriented opponent Berthold Huber. Arguably more significant for the future of the union, however, was the emergence of new leadership and strategic orientation in a critical IG Metall stronghold.[18]

The story begins in a small city called Siegen, on the outskirts of Nordrhein-Westfalen in the industrial heartland of Germany. Between 1993 and 1999, the local union had lost 4,000 members. Beginning in 1999, under the leadership of Detlef Wetzel, the local began intensive discussion with works councilors and experimented with approaches that in time added up to a new strategy to rebuild union membership and renew union influence at the firm level. With an emphasis on member engagement in firm-level bargaining and the active recruitment of new union members, the strategy yielded positive results. By 2003, Siegen became one of a small number of IG Metall local unions in Germany to round the corner from declining membership levels to stabilization and the beginnings of growth.[19]

In large measure as a product of this local success, Wetzel was elected head of the Nordrhein-Westfalen (NRW) district, with 600,000 members the largest in IG Metall, in July 2004.[20] Among other things, the union faced two interrelated problems: employer undercutting of the established collective bargaining contract, and membership decline. The new strategy centered on the participation of union members in workplace and company-level negotiations. In a context of employer demands for further flexibility and increased work hours, two member demands came to the fore: maintaining job security and enhancing training rights. Member participation was driven in part by an expansion of company-level negotiations that far exceeded the capabilities of union staff.

The logic unfolded as follows. When firms sought to undercut the contract in response to competitive pressures, real or alleged, union members joined works councilors and IG Metall representatives in company-level negotiations.[21] Enhanced opportunities for firm-specific bargaining were mandated in a three-year agreement between IG Metall and Gesamtmetall signed at Pforzheim in 2004.[22] When companies left the employer association or sought modifications of the industry contract, elected work force committees would insist on training rights and employment security in return for short-term concessions on pay and work hours. Bringing in shopfloor leaders made bargaining transparent and credible to members, thereby easing works council legitimacy problems that result from "co-management" in a period of concession bargaining (Rehder 2006). Frequently intense negotiations served as a basis

[17]See Fichter (2003) for a concise analysis of the strike defeat and its consequences. See also Raess (2006).

[18]The story presented below is based on a variety of sources, including interviews with IG Metall officials in Dortmund, Düsseldorf, Wuppertal, Cologne, and Frankfurt; conversations with academic observers; IG Metall, WSI, DGB, and EIRO web sites; and news articles such as Roth (2006), Hildebrand (2006), and Badekow (2007). See also Viering (2007) and IG Metall (2008).

[19]Data supplied by IG Metall, Nordrhein-Westfalen district office.

[20]IG Metall district chiefs are elected not by union members but by the national executive board.

[21]As members of the metal industry employer association, Gesamtmetall, most large employers and their employees in metal and electronic industries are covered by region-wide contracts (patterned nationally). Firms in need can use "opening clauses" to negotiate concessions with their own works councils, or they can leave the employer association or join a new association category that does not require adherence to the sector agreement (Schröder and Silvia 2006).

[22]For a summary of the agreement, see http://www.eiro.eurofound.ie/2004/03/feature/de0403203f.html. The IG Metall web page for the 2004 Pforzheim (Baden-Württemberg) agreement is http://www.bw.igm.de/news/meldung.html?id=645.

for the recruitment of new members. Gains in training rights and employment security made other concessions more palatable. The mobilization of participation added a new element to discretionary company-level negotiation options.

NRW leadership summed up its strategy as a "member-centered offensive," with three key elements (Wetzel 2007): *Tarif Aktiv* (active bargaining)—aggressive negotiations at the firm level, with active member participation, to keep firms within the framework of sector collective bargaining contracts, or at the very least to negotiate acceptable company agreements; *besser statt billiger* (better not cheaper)—a proactive commitment to working with firms to raise product quality and productivity, drawing on present and future work force knowledge and skills, and in some cases bringing in outside experts in production reorganization; and *membership growth*—the mobilization of works councilors, union stewards, and members to recruit new members, with membership growth as the litmus test for the overall success of strategic reorientation.

Wetzel and colleagues argued that worker participation, aggressive negotiations, job preservation, and new training opportunities would strengthen membership loyalty to the union. At the same time, the union trained works councilors and members to build on conflict, negotiations, and acceptable outcomes to recruit new members. A subjective yet significant aspect of strategic reorientation included what Americans might call a "can-do" attitude. After years of uphill struggle against membership decline and company-level concession bargaining, IG Metall leaders and works councilors had in many cases become defensive and even defeatist, falling into a rhetoric of blame aimed at employers, outsourcing, globalization, government policy, individualistic young workers, apathetic members, and free-riding non-union workers. Wetzel insisted on a positive approach from union representatives at all levels. The task at hand was not to gripe and complain but to lead and inspire. The role of union leaders at regional and local levels, including works councilors elected on union slates, was to bring members into campaigns and negotiations, to win their support and build union membership and participation. Together, the regional office and local branches set member recruitment targets and monitored progress on a regular basis.

Member and works council engagement served another purpose. Because the union did not have the manpower to negotiate simultaneously on behalf of work forces at dozens of firms, works councilors, not to mention workers, often felt neglected by overtaxed local, regional, and national union leadership. In a context of economic globalization, employer threats to outsource or relocate production undermined bargaining power and forced works councilors to accept concessions (Raess and Burgoon 2006). Training works councilors and members to fight their own battles raised morale, made settlements acceptable even when concessions proved unavoidable, and expanded the capacity of works councils and local union offices (Viering 2007). And the agreements, where companies proved willing, aimed to strengthen labor-management collaboration on new bases that offered promise for the prospects of struggling firms ("besser statt billiger"). The elements of the new approach added up to a proactive union strategy to regain the initiative, close off the low road tempting German employers, and push German industry along its high-road trajectory.[23]

By mid-2005, NRW innovations had attracted attention throughout IG Metall. Other regions and local offices had also begun to experiment with similar approaches. Reflecting the growing influence of the new

[23]On the growing competitiveness of German high-end products in world markets, making Germany the world leader in exports by 2005 (ahead of the United States, Japan, and China), see, for example, Benoit and Milne (2006) and Landler (2007). Export strength and renewed economic growth provided a supportive context for the development of proactive union strategies of recruitment and engagement. On the other hand, employers expanded employment by hiring contingent workers (temporary, part-time, and agency-provided) and sub-contracting work, thus limiting the positive effects of economic growth for union member recruiting efforts and arguably increasing the need for strategic innovation such as grassroots mobilization.

member-centered approach, Detlef Wetzel was elected national vice-president of IG Metall at the union's congress in Leipzig in November 2007. In May 2008, an internal document charted the national union's shift to a member-centered organizing strategy (IG Metall 2008). Ironically, the paper emphasized learning from American unions, using English language terminology to call for a shift from traditional top-down, service-oriented "business unionism" to a "social movement unionism" based on member mobilization.[24] Beyond basic concepts, the new strategic orientation was reflected in specific campaign tactics, targets, and goals—to organize, for example, the growing numbers of temporary workers in metal and electronics industries (Niemann-Findeisen 2008).

What accounts for the emergence of new strategy rooted in rank-and-file mobilization? The most obvious explanation lies with the rise of new leadership advocating and implementing innovative approaches. Strategic reorientation, however, did not occur out of the blue. Factors such as prolonged membership decline and social policy cutbacks called traditional union strategies into question. At the same time, institutional and social configurations offered opportunities for innovation.

Several interrelated developments had weakened IG Metall's institutional position and in so doing opened the door for reformist approaches and new leadership. Economic restructuring included the threat and in many cases the reality of business relocation and outsourcing of production. Collective bargaining coverage declined as firms defected from employer associations or joined a special membership category that allowed exemption from contract provisions. While the union made modest gains in sector contracts after 2004, the Pforzheim agreement also opened the door to countless new company-level negotiations.

On the other hand, Germany's legislated labor institutions—codetermination, comprehensive collective bargaining, vocational training, labor courts—continued to provide a foundation on which to promote innovative strategies. Divisions among employers in their strategies toward unions, moving more or less away from established relations of social partnership, also provided institutional openings. Institutions thus provided opportunity both in openings for innovation and established anchors on which to build. This opportunity structure stands in sharp contrast to the situation in the United States, where unions have exploited openings for strategic innovation but in the more difficult context, in many cases, of an institutional wasteland (Turner 2007b). Grassroots mobilization developed in the German metalworking industry essentially as a strategy for the renewal of insider influence.[25]

Where labor institutions retain substantial strength, social context may not matter as much. Still, high unemployment and job insecurity made workers and their representatives increasingly open to new ideas, from both left and right. A sense of crisis fueled feelings of helplessness, fear of status loss, and rejection of an established order that included unions. Extreme right-wing ideas appeared increasingly attractive to some workers, including union members (Fichter 2006; Zeuner et al. 2007). The obvious dangers cried out for new union strategies.

In spite of much cynicism within union ranks, the opportunities were there. But it took imaginative leadership to see and build on existing possibilities. The emergence of new strategy grounded in member engagement occurred most noticeably in one region of Germany at a time when other regions faced similar circumstances. The decisive element driving the change was the strategic reorientation of Wetzel and his colleagues in Nordrhein-Westfalen. The new approaches spread because institutional and social circumstances offered similar opportunity elsewhere, waiting to be exploited once NRW

[24]For a general perspective on lessons for European unions from the American labor movement, see Turner 2007a.

[25]See Thelen (2001) for an argument that even in apparently stable coordinated market economies labor's influence must be renewed in continuing processes of conflict and negotiation.

Figure 1. Comparison of Schlecker and NRW Campaign Strategies.

	Union position	***Expansion of WIR***	***Focus of mobilization***
Schlecker	outsiders	institution building	society
NRW	insiders	institutional revitalization	workplace

leadership made a conscious decision to lead the way.

Case Comparisons

The Schlecker and Nordrhein-Westfalen cases offer examples of strategic innovation within a broader context of declining union influence and membership in Germany. The Schlecker campaign stands out as a rare victory that offers a potential model for the spread of worker interest representation (WIR) in the low-wage occupations of an expanding service sector.[26] The ongoing NRW—and now national IG Metall—strategic reorientation demonstrates new possibilities to reverse decline in a union stronghold. The first is a case of institution building, the second a case of institutional revitalization. Innovative strategy in the Schlecker case took shape as "social movement unionism," while IG Metall's NRW strategy looked more like an "economic development unionism."[27] The differences can be mapped out as shown in Figure 1.

Given the broader context of contemporary industrial relations, these two cases generate the following hypotheses: where unions are excluded, they must build institutions (starting with works councils in the German case), and to do so in the face of employer opposition they need the support of other social actors in a comprehensive campaign. By contrast, where unions retain a substantial insider presence, rank-and-file mobilization offers possibilities for institutional revitalization. Because most union leaders in the recent past have pursued neither strategy even where opportunity has beckoned, it is clear that the choices made by unions, both local and national, are decisive in the pursuit of either institution building or revitalization.

In both cases, innovation began from the ground up, for the Schlecker campaign in Mannheim and Heidelberg, for the NRW case in Siegen. And in both cases, subsequent regional and national union support proved important: at Schlecker, support was needed to spread the campaign and confront the firm at the national level; and at IG Metall, a vital factor was the decision of national leadership to elect and support Wetzel as director for the pivotal NRW district. By the same logic, the failure to build decisively on the Schlecker example for campaigns at other firms in a growing low-wage retail sector can be traced at least in part to the unwillingness of the national union to commit the necessary resources. By contrast, the spread of the Siegen model to the NRW district, and increasingly to other IG Metall districts, depended to a large extent on growing support from

[26]At Schlecker and in similar campaigns elsewhere, the first goal is to build works councils, with union membership growth to follow. Hence the German concept "worker interest representation," referring both to works councils and unions.

[27]Because IG Metall/NRW's firm-level bargaining centered on one region, the cumulative effect offered a potential contribution to economic restructuring, in what Klaus Dörre and Bernd Röttger (2006:280–83) have referred to as an "old industrial region." I would suggest (and have argued elsewhere) that these two strategic orientations—social movement and economic development unionism—are overlapping but distinct types of an innovative "social unionism," one that breaks with conventional approaches especially in a proactive mobilization of workers, members, and other social actors (Turner 2007b).

national headquarters in Frankfurt. In the face of counter-mobilization—for IG Metall as employers defected from sector bargaining agreements and for ver.di as Schlecker and Lidl intensified anti-union efforts—the sustainability of local innovation required broader organizational support.[28]

An analysis of the two cases is consistent with an argument that privileges opportunity—located in institutional openings and social context—and the strategic choices made by union actors. In both cases, strategies were innovative, comprehensive, and adapted to local circumstances in a flexible manner. Choice was not a simple matter: strategic innovation required internal organizational debate, trial and error, and the proactive development of new concepts and tactics such as grassroots mobilization and coalition building.

The Literature: Varieties of Stability and Collapse

Literature on the German labor movement, and on comparative capitalism more broadly, gravitates toward two poles. The varieties-of-capitalism framework views coordinated market economies such as Germany as governed by a dense network of institutions that is relatively stable (Hall and Soskice 2001b:21–27). To be sure, as global liberalization proceeds and competition intensifies, reforms become necessary and adjustments are made. But a central message of the literature is that "the more things change the more they stay the same." Institutions interact in mutually reinforcing ways, in patterns of coordination that change only slowly. Social partnership may get rocky and unions may lose some influence, but "German employers cannot bring themselves to dismantle the German model" (Thelen 1999). Labor institutions retain an essential stability, even if the position of unions may be one of "institutional subservience" in a coordinated market economy (Hancké, Rhodes, and Thatcher 2007:22).

At the other pole stands the "hell-in-a-handbasket" literature. For the German political economy in general and the German labor movement in particular, the gloomy perspective comes from many different directions. Economists such as Addison, Schnabel, and Wagner (2006) chart the long decline of German unions and offer only minimal hope for reversal. Others see neoliberal economic and political forces sweeping institutions aside.[29] Kitschelt and Streeck (2003) refer to "incremental disintegration" and argue that previously enabling institutions have blocked possibilities for reform across the broad landscape of the German political economy, in part due to the veto role of powerful interests such as labor. Especially interesting is a varieties-of-capitalism breakaway literature on institutional change that identifies incremental deregulation that over time may amount to transformation (Streeck and Thelen 2005b). Handbasket perspectives range from free market cheerleading to a sense of helplessness in the face of inevitable decline.

Evidence can be found to support all of the above views. Yet all too often, the past gets extrapolated into the future, although the future is so often full of surprises (the collapse of the Berlin Wall in 1989; the global economic meltdown of 2008). We all face great difficulty in understanding contemporary events as they sail by in a changing world economy. The evidence presented here points to a German labor movement in decline and the weakening hold of once strong institutions. Yet the case studies also show possibilities for institution building and revitalization, strategies for a renewal of union strength based on "best practice" successes. The cases show contrasting possibilities and outcomes in different sectors and regions of the economy.

Cross-national comparisons typically focus at national or sectoral levels, or in one arena or another of the political economy.

[28]Also relevant here are concepts developed by Behrens and Jacoby (2004): an "experimentalist" logic at NRW, where power was at least somewhat balanced, compared to a "battlefield" logic at Schlecker and Lidl, where unions sought to establish influence in the face of powerful company opposition.

[29]Thus "Germany's consensual traditions will wriggle for a long time before they expire." *Economist*, April 27, 1996, p. 55.

Also important, however, are differences within countries (Locke 1995; Artus 2007). There is, for example, a muted but growing debate within German unions and among labor academics regarding the appropriateness of current U.S. union organizing and campaigning strategies for German unions. At first glance, the obvious verdict is negative (Waldman 2004): the context is different, and the institutions make other strategies more viable in Germany. I believe that assessment is too simplistic. In manufacturing, where works councils are present and a union such as IG Metall has a supportive institutional base, the best strategy may be essentially traditional: fostering collectively bargained wage policy from outside the firm; strengthening the bargaining position of (union-friendly) works councils from inside the firm. But even here, where unions are strongest, strategic innovation appears essential, if only because so many firms have demanded concessions. And as we have seen, one of the most promising innovations parallels U.S. union efforts in one important way: a renewed grassroots focus on member mobilization and recruitment (IG Metall 2008).

Where works councils are not present and employers refuse to share power, a broader comprehensive campaign, including coalition building and grassroots mobilization, appears essential (and in the Schlecker case looks very much like the strategies of unions such as SEIU and Unite Here in the United States). In private sector services, and especially for low-wage occupations, radical innovations in strategy may be necessary, given intense employer opposition. But such innovation can also be blocked by the dominance of traditional union strategy, even as that strategy becomes less and less successful.

The interaction between institutions and activism is itself an important area for research that can be informed by comparative analysis, across firms, regions, sectors, and nations. The problem is that literature focused on institutions (for example, Hall and Soskice 2001a) and a separate body of work oriented toward activism, including contentious politics and social movements (for example, McAdam, Tarrow, and Tilly 1999), do not speak to each other enough.[30] Yet the revitalization of labor institutions, as we have seen, may well require periodic grassroots mobilization, especially when hell arrives in a handbasket. This is true both where institutions are strong, as in the NRW case, and where they are not, as at Schlecker and Lidl. Mobilization efforts, whether led from the top or arising from the grassroots (before combining in a comprehensive strategy, as they must do for success; Milkman 2006), may aim not only to revitalize institutions but to build them as well.

Peter Katzenstein's influential "incrementalist" perspective on German politics is pitched at the level of the state and sustaining policy networks (Katzenstein 1987, 2005). For unions, the relative stability of the industrial relations system permits only incremental change, for gains, losses, and policy influence, and this is true in spite of the substantial reforms of recent years. The NRW case fits this analysis: substantial yet still incremental innovation within the established institutional context, with a new focus on member recruitment and engagement as a means of shoring up union influence at the workplace and in the broader political economy. The Schlecker and Lidl cases, by contrast, illustrate how much of the German labor market—and society—stand for all practical purposes outside the existing institutional framework. Restructuring in privatized industries such as telecommunications, postal services, and rail transportation has also contributed to growing non-union segments of the economy. For worker interest representation, radical innovation makes sense where incrementalism offers little hope. Such innovations in union strategy, however, as Katzenstein might predict, are more than likely to be blocked by institutions and actors long schooled in strategies aimed at incremental gains.

Institutions can facilitate or block innovation, depending in part on how actors choose

[30]According to the contentious politics literature, key factors driving the emergence of social movements include resource mobilization, opportunity structure, and framing (McAdam, Tarrow, and Tilly 1999), elements of a rich analysis largely consistent with the cases presented here.

to use the institutions. Just as employers can seize opportunities to weaken unions in market-oriented economic and political contexts, so too can unions seize opportunities present in institutional and social contexts for purposes of their own. Policy experts worry that entrenched unions continue to block much-needed reforms aimed at chronic unemployment, labor market rigidities, and economic stagnation—with the implication that unions must to some extent be pushed out of the way (Streeck 2005). As unions are weakened, however, by aggressive employer strategies, government policy, and an economic restructuring that favors the spread of service sector jobs, many of them low-wage and lacking any form of worker interest representation, labor becomes even more defensive in the face of policy reform. Because labor protections remain present even as union membership declines, "hell-in-a-handbasket" analysis emphasizing union blockage implies little hope for real policy reform—especially but not only in a context of export-led economic growth and centrist governance.

Yet there is no necessary reason why resurgent unions, both in manufacturing bases and in service occupations where unions have been excluded, cannot gain the renewed confidence and power necessary to negotiate policy reform that is both politically and economically viable (Hoffmann 2006). Contemporary debate is dominated by a zero-sum perspective. On the one hand, the argument goes, economic and social policy reform is blocked by powerful interest groups such as labor and thus faces political stalemate. On the other hand, politically viable strategies are incompatible with successful economic and social policy reform. Breaking the stalemate requires either defeating the unions or bringing them aboard to help shape processes of reform. Much will depend on union strategy (Visser 2007:115).

For unions, opportunities for alternative choices are there. Unions can defend their shrinking bases, weakened yet still capable of fighting successfully against reform, or they can innovate. The NRW case suggests a potential for strategic reform based on member engagement and recruitment. The Schlecker/Lidl cases offer an alternative campaigning approach based on social coalition building and rank-and-file activism, yet so far limited by both militant employer opposition and a corresponding lack of union resource commitment. The unifying feature of both innovations is grassroots mobilization.

Arguments that emphasize stability or collapse each fail to see the potential for strategic innovation and a corresponding willingness of workers and their allies to participate actively in the politics of the workplace. Arguments that emphasize institutions as primarily either facilitators or suppressors of worker interests also typically ignore the potential for—and positive effects of—expanded participation (Turner 1996). The dialectic between institutions and activism is more interesting, and in the long run more important, than one-dimensional analyses of economic and social policy reform, social movement mobilization, or organizational behavior in established institutional contexts.

An emphasis on unpredictable actor choice is troubling to social scientists, and not only to theorists of rational choice. Yet a universe of social interaction is complex and messy, defying determinist explanation. Given particular institutions, social context, politics, economic circumstances, culture, identities, and other factors, we can examine causal processes and predict what is likely. No matter how sharp the analysis, however, organizations and individuals can and do often surprise us with the choices they make.

Future of the German Labor Movement

For much of the postwar period, German unions made good choices: for institution building in the early years, institutional revitalization in the 1970s, and institutional stability in the 1980s. The unexpected collapse of the East German regime threw many things up for grabs. Western unions moved quickly into eastern Germany along with western labor institutions, transplanted on new terrain in contentious circumstances and with shallow roots (Turner 1998). Much conventional analysis blames unions for discouraging investment by pushing wages in the

east up toward western standards. Unions, however, did what was politically necessary in response to the demands of eastern members, with broad agreement from employer associations.

In part as a result of prolonged economic crisis in the east but due also to broader economic and political processes of Europeanization and global liberalization, institutions have wobbled in the face of intense challenges. In a context of institutional instability, German unions over the past decade have not adapted well to changing circumstances. Unions have been slow to move beyond their bases in manufacturing and the public sector. Strategic innovation has been all too infrequent. Unions have by and large reacted defensively in the face of employer demands, membership decline, and economic and social policy reforms.

In the United States, from the 1970s well into the 1990s, union leaders pretended that New Deal institutions were intact, denied the crisis of the American labor movement, continued to export a failed industrial relations model, reacted defensively to employer and government attacks, and finally grappled with existential despair (Fantasia and Voss 2004). German unions can learn from the negative American experience while they still have an institutional base on which to build (Waldman 2004). They can also draw on American labor's crisis-driven innovations such as grassroots mobilization and coalition building, adapted to a German institutional context (Raffo 2007; Schreider 2007a; IGM 2008).

While much of the literature on German labor remains rooted in a perspective based in manufacturing, employment in service industries exceeds that in manufacturing and continues to grow as a percentage of the total work force. Private sector services include a growing union-free zone (Jacobi 2003; Royle 2004; Artus 2007). In part, the future of the German labor movement rests on an ability to bring worker interest representation to growing low-wage occupational categories in industries such as building services, retail sales, and food service. The Schlecker case offers an innovative model for institution building in campaigns based on grassroots mobilization, coalition building, and public demands for social justice. This kind of strategy is now on the table, pursued by ver. di activists in a recent campaign at Lidl, yet still awaiting a substantial union commitment of resources and support.

Even in traditional manufacturing strongholds, where union roots are deep, the ground has been slipping away as employers demand concessions and renege on bargaining agreements. If unions cannot hold on where they are strongest, there is little hope elsewhere. Perhaps just in time, a new strategic orientation has emerged, most prominently (although not only) in Nordrhein-Westfalen, the largest IG Metall district. Organized around member mobilization, the new approach offers unexpected promise for institutional revitalization.

Practitioners—and academic observers—fail when they cannot break with traditional perspectives, see only stability or collapse, or become trapped in unreal expectations, denial, or despair. Today unions are reeling, in many cases reduced to a defense of existing protections and policies, even in countries such as Germany where labor institutions remain embedded in much of the political economy. Yet opportunity awaits, in changing institutional configurations and turbulent social contexts. Unions for the most part have failed to break with tradition, to innovate, to take advantage of opportunity. They are not obliged to continue to fail.

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