

FIGHTING FOR

PARTNERSHIP

Labor and
Politics
in Unified
Germany

L | O | W | E | L | L
T | U | R | N | E | R

*Fighting
for Partnership*

LABOR AND POLITICS
IN UNIFIED GERMANY

LOWELL TURNER

CORNELL UNIVERSITY PRESS

Ithaca and London

For Ralph and Christine Turner

Copyright © 1998 by Cornell University

All rights reserved. Except for brief quotations in a review, this book, or parts thereof, must not be reproduced in any form without permission in writing from the publisher. For information, address Cornell University Press, Sage House, 512 East State Street, Ithaca, New York 14850.

First published 1998 by Cornell University Press.

First printing, Cornell Paperbacks, 1998.

Printed in the United States of America.

Library of Congress Cataloging-in-Publication Data

Turner, Lowell.

Fighting for partnership : labor and politics in unified Germany /
Lowell Turner.

p. cm. -- (Cornell studies in political economy)

Includes bibliographical references (p.) and index.

ISBN 0-8014-3486-6 (cloth : alk. paper). -- ISBN 0-8014-8483-9
(pbk. : alk. paper)

1. Labor—Germany. 2. Industrial relations—Germany. I. Title.

II. Series.

HD8541.T87 1998

331'.0943—dc21

97-48683

Cornell University Press strives to use environmentally responsible suppliers and materials to the fullest extent possible in the publishing of its books. Such materials include vegetable-based, low-VOC inks and acid-free papers that are recycled, totally chlorine-free, or partly composed of nonwood fibers.

Cloth printing 10 9 8 7 6 5 4 3 2 1

Paperback printing 10 9 8 7 6 5 4 3 2 1



Preface

The history of the Federal Republic of Germany, commonly known as West Germany from 1949 to 1990, is a story of virtually unparalleled political and economic success. After the horrors of Nazism, West Germany produced an “economic miracle” of strong growth, beginning in the 1950s and continuing, in spite of recession and relative stagnation in the mid 1970s and early 1980s, right up through the unification of West and East Germany in 1990. Most remarkable, this export-oriented economic miracle was overseen by a well-functioning political democracy, in a country that had never known stable democracy before. And furthermore, the mechanisms of political democracy were extended to the workplace in an unprecedented way, to include a system of economic representation, with comprehensive collective bargaining, legally mandated codetermination for employees, and strong employer associations and labor unions in relations of “social partnership.”

So far, so good. But can political democracy, economic growth, and social partnership endure in a unified Germany? Or is unification the beginning of the end for what the postwar world widely admired as the “German model”?

My own interest in these matters began when I lived and studied in Germany in 1968, as a participant in a semester abroad program organized through Pomona College and the Experiment in International Living. In the spring of that year, I spent two months doing independent study in Berlin. With an American friend, I made regular trips through Checkpoint Charlie into East Berlin and made friends there with some East German college students. We partied to rock-and-roll music one Saturday night in a small apartment, and I was surprised to discover (with my 1950s all-American, anticommunist upbringing) that both their parties and their concerns were very much like ours. These visits occurred during the brief “Prague spring” in neighboring Czechoslovakia. On our next visit some days later to the same apartment in East Berlin, we were met grimly at the door by one of our new friends, who told us that the secret police had arrested a fellow party-goer (an East German medical student) for handing

PREFACE

out leaflets bearing the text of a Dubček speech. We were not to return, our friend told us sadly but in no uncertain terms.

That summer, after traveling through Czechoslovakia shortly before the Soviet invasion, I returned to the United States, demoralized by the brutality of Soviet suppression (and just in time to hear firsthand accounts from friends about police attacks on youthful demonstrators at the Democratic Party's national convention in Chicago). My life turned in other directions, and I did not return to Germany for twenty years. On that occasion, I spent a year at the Max-Planck-Institut für Gesellschaftsforschung in Cologne studying the politics of new work organization in West Germany, which compared most favorably to parallel processes I had studied and in which I had participated in the United States. Although I made two research visits to West Berlin, I did not enter East Berlin, my enthusiasm still dampened by those earlier sad events. When I returned home to the United States in the summer of 1989, like so many others I had no inkling of the cataclysm that was about to occur. I spent the next year absorbed in the writing of my book *Democracy at Work* (a comparative study of West German and American labor in an era of work reorganization), after which I intended to leave Germany behind, to move on to comparative studies in greener pastures: Paris, London, Brussels, and back home in the United States.

With disbelief, I watched from afar the events leading up to the collapse of the Berlin Wall on November 9–10, 1989. In February of 1990 I flew to Germany to give a talk at a conference in Wolfsburg, organized by the Volkswagen general works council. I had a few extra days and intended to visit friends and colleagues in Cologne before returning home, but again like so many others I found the pull of German unification overwhelming. I changed travel plans, flew to Berlin, took a cab to the Brandenburg Gate. From there I walked the length of the Wall along the western side to Checkpoint Charlie. Everywhere, people of all ages with hammers and chisels were tearing souvenirs from the thick concrete wall and jumping back and forth through now gaping holes, joking with teenage soldiers on the eastern side. For a few marks, I rented a hammer and chisel to hack out my own souvenirs. The frenzy of excitement and liberation unleashed powerful emotions and brought tears to my eyes even as I hammered away.

The next day I began the research that has culminated in this book. With Uli Jürgens, I interviewed the communist union leader at the large Oktober 17 (Niles) machinery plant in East Berlin and listened to his complaints about the new rank-and-file “free market liberation front” activists in his formerly satisfied and well-controlled workforce. This was high drama, and I was eager to know how things would develop. To satisfy the curiosity which gripped me that day, I have studied workplace transformation in eastern Germany ever since. My findings, along with a broader empirical and theoretical analysis, are presented in this book.

Most striking to me has been the overwhelmingly peaceful and at least to some extent successful nature of the transformation. Yes, there have been enormous problems, injustices, strong tensions between easterners and westerners—and there will continue to be for years to come. But as Claus Leggewie put it at a talk at Cornell University in February of 1996, “What the hell would you expect?”¹ On the whole, and to my great surprise, German unification, even at its most problematic in the workplaces of eastern Germany, has been a process of peaceful reform and adaptation; even at its most difficult, it has failed to destabilize German democracy.

This remarkably peaceful transformation, in a country notorious for its history of violence and repression, is what I seek to illuminate in this book. I think the explanation lies in the comprehensive transfer from West to East, and subsequent adaptation to existing circumstances, of the flexible and inclusive institutions of social partnership. The evidence presented in this book offers strong proof that institutions shape behavior and that at least flexible and inclusive institutions can be transferred from one society to another for adaptation to new circumstances. For some, this will be a controversial finding, one that I hope will stimulate both theoretical and policy debate.

In my presentation, I have tried to accomplish two in some ways contradictory tasks: to draw broader theoretical meaning from the evidence gathered, by way of careful social-scientific analysis; and at the same time to avoid the trap into which so many intellectual works fall, taking exciting real-life events and beating them into dry, lifeless academic constructs. To avoid this second pitfall, I begin the book with the dramatic story of the first great labor strike in postcommunist eastern Germany, which I hope will draw the reader into both careful and passionate consideration of the high-stakes drama played out in unified Germany in the 1990s.

Although it is impossible to remember everyone who has helped me (I always vow to write names down as I go along, and then unconscionably forget to do so), I would like to acknowledge invaluable research assistance from Martin Behrens, Mike Belzer, Owen Darbshire, Aline Hoffmann, Elena Atanassova Iankova, Matt Lyons, Dan Price, and Sally Schoen. Generous funding from the following sources has made this project possible: the German Marshall Fund of the United States in conjunction with the American Council of Learned Societies; the Institute of Collective Bargaining and Center for Advanced Human Resource Studies, both at the School of Industrial and Labor Relations at Cornell University; the International Political Economy Program and the Institute of European Studies, both in the Center for International Studies at Cornell; the Wissenschaftszentrum Berlin für sozialwissenschaftliche Forschung (WZB); and the Institut für Arbeitsrecht und Arbeitsbeziehungen in der Europäischen Gemeinschaft (IAAEG) at the University of Trier.

PREFACE

Neither the research nor the writing would have been possible without the support and constructive criticism of numerous friends and colleagues, including and especially Peter Auer, Uschi Backes-Gellner, Martin Behrens, Valerie Bunce, Alan Cheney, Peter Coldrick, Owen Darbishire, Michael Fichter, Bob Hancke, Roger Haydon, Charles Heckscher, Gary Herrigel, Elena Iankova, Ulrich Jürgens, Harry Katz, Berndt Keller, Horst Kern, Larissa Klinzing, Richard Locke, Manfred Muster, Jonas Pontusson, Dieter Sadowski, Nick Salvatore, Günther Schmid, Steven Silvia, David Soskice, Wolfgang Streeck, Kathleen Thelen, Karin Wagner, Kirstin Wever, and John Windmuller. Martin Behrens, Owen Darbishire, and Elena Iankova are also mentioned above as research assistants, in which role they each started out; all three, however, quickly evolved into colleagues who entered into the research and analysis, argued with me, and pushed me to make substantial changes and improvements. Jackie Dodge, Hannelore Minzlaff, and Dianne Porter provided valuable technical, administrative, and secretarial assistance. Thanks to Andrew Lewis for his fine copyediting work.

As always, my deepest thanks and appreciation go to those who put up with me, fight with me, love and inspire me the most: Kate Turner, whose preference for comparative French over German cuisine has only increased since the writing of *Democracy at Work*; Eric Turner, a veteran of kindergarten in Germany, now a wild and woolly Ithaca teenager; and Jennifer Turner, with a flair for the dramatic and an uncanny capacity to hold her own at home or abroad.

This book is dedicated to my dad, Ralph Turner, and my mom, Christine Turner—neither of whom I could ever thank enough for the opportunities they made available to me and for their lifetime of concern and support.

LOWELL TURNER

Ithaca, New York

Contents

Preface	vii
Prologue The East in Open Conflict: The Great Strike of 1993	i
1. Social Partnership at the Crossroads: Unified Germany in a World Transformed	17
2. Worlds Apart, Thrown Together: New Institutions and Economic Collapse	28
3. Transformation in the East: Labor-Management Case Studies, 1990–1995	48
4. Crisis, Modernization, and the Resilience of Social Partnership	82
5. Renewed Conflict in the West, 1993–1994	99
6. Permanent Crisis? Social Partnership in the European and Global Economy, 1995–1997	116
7. Institutional Change in Turbulent Markets	132
Epilogue From Rostock to Bonn	151
Notes	155
References	173
Index	189

PROLOGUE

The East in Open Conflict: The Great Strike of 1993

When on November 9 and 10, 1989, hundreds of young Germans danced atop the massive and once impenetrable Berlin Wall, the world was forever transformed. The collapse of communism, the changes in eastern and central Europe and the former Soviet Union, and the agonizing efforts to construct a “new world order” have become defining political dramas of our era. At the center of these events stands a most remarkable and significant story: the peaceful and largely successful unification of the two postwar Germanys.

Countless books and articles have been written describing the collapse of communism in East Germany and chronicling the events leading up to formal German unification on October 3, 1990. Other writings emphasize the protracted difficulties and continuing conflicts and tensions (especially between easterners and westerners) in unified Germany in the 1990s. This book aims to round out the story by demonstrating that despite all the problems, the unification of Germany has been on the whole a rather remarkable success.

In a nutshell, German unification succeeded thanks to inclusive institutions and processes of negotiated adjustment. As a “social market” economy, West Germany maintained a dense web of regularized negotiations that shaped domestic policy in areas ranging from macroeconomic policy, to intergovernmental and industry-bank relations, to vocational training and company-level codetermination. When East and West Germany were unified on the one-sided basis of West German law and practice, West German institutions of negotiation were transferred wholesale to the East. Although fraught with difficulties and shortcomings, institutional transfer provided a new and surprisingly flexible framework for the transformation of economy and society in eastern Germany, and for the successful unification of modern Germany.

PROLOGUE

Because it is impossible in one book to examine all German institutions of negotiation, this book focuses on one important set of relations at the heart of social market regulation: the “social partnership” between labor and management. “Social partnership,” a term widely used throughout the European Union but little known in the United States, refers to the nexus—and central political and economic importance—of bargaining relationships between strongly organized employers (in employer associations) and employees (in unions and works councils) that range from comprehensive collective bargaining and plant-level codetermination to vocational training and federal, state, and local economic policy discussions.

To some extent, I use “social partnership” in this book to represent other, parallel processes of regularized negotiation throughout the German political economy. From the perspective of economic citizenship and democratic participation, however, social partnership itself is the most critical of social market mechanisms of negotiation and inclusion. And what is most remarkable, social partnership has not only coexisted with but proactively facilitated the strong export-oriented economic performance of the Federal Republic of Germany ever since its founding in 1949.

BACKGROUND TO THE STRUGGLE

With the demise of communist trade unions in East Germany in 1990 and the subsequent collapse of the eastern economy in 1990–91, prospects for a western-style social partnership in the East appeared highly problematic. Many observers predicted that market liberalization in the East would bring the beginning of the end for strong labor unions, and hence social partnership, in unified Germany.

In a race to fill the vacuum of collapse, the sixteen unions of the western German Labor Federation (*Deutscher Gewerkschaftsbund*, or DGB) moved rapidly into eastern Germany to sign up new members and establish a presence in the eastern workplace. At the same time, western investors, employers, and employer associations moved rapidly into eastern Germany to establish ownership and influence. It was not long, of course, before these representatives of management and labor were face to face as each sought to secure influence in the new federal states.

Would the employer associations and the unions establish a strong presence, respecting each other's influence in western-style relations of social partnership? Or in the fluid and highly uncertain new situation would conflict break out, leading to predominantly conflictual relations in the East and perhaps even to a breakup of the social partnership back in the West, and in Germany as a whole? Would the unification of Germany result in an extension and expansion of strong interest representation and social partnership, or would it mean the beginning of the end for these institutions and practices?

The first great watershed for German social partnership in the post-unification era came in the spring of 1993, when employers in the metal industries of eastern Germany unilaterally refused to honor a previously negotiated collective agreement to raise workers' pay 26 percent. In a high-stakes effort to beat back the employer offensive, IG Metall (the German metalworkers' union) responded by calling eastern workers out on strike. The ensuing conflict and its outcome were to have major consequences for the future political economy of the East.¹

The opponents in this confrontation were Gesamtmetall, the powerful employer association that encompasses a range of metal industries including automobile assembly and parts, machinery-building, shipbuilding, and electronics, and IG Metall, the equally powerful industrial union that represents the workforces, both blue and white collar, in each of these same industries. Throughout the postwar period in West Germany, collective bargaining agreements between Gesamtmetall and IG Metall (signed at regional levels but coordinated nationally) have both covered these industries comprehensively and set the pattern for negotiations in other sectors of German industry.

In 1990–91, Gesamtmetall and IG Metall each established a prominent presence in the new states of eastern Germany. Eastern employees joined IG Metall in large numbers, driving total membership in that union up from 2.6 to 3.6 million in the space of a year. Conscious of their pattern-setting role and eager to consolidate and stabilize western-style labor-management relations in the East, Gesamtmetall and IG Metall soon entered into negotiations and in March of 1991 signed similar three-year contracts for each region of eastern Germany, establishing basic pay levels and terms of employment for the metal and electronics industries.

These contracts provided for the phasing in, for eastern blue- and white-collar workers, of nominal wage parity with western workers over a three-year period (from 65 percent on April 1, 1991, to 100 percent on April 1, 1994; Bispinck 1993b, 470). Widely praised at the time, this arrangement offered eastern workers hope (above all to keep them from moving to the already crowded western labor market), promoted social stability in a precarious economic situation, and enabled employers and investors, who stood to gain by getting in early while wage costs remained low, to plan the rebuilding of the East in a rational manner—and at the same time protected western workers and employers from low-wage competition in the East.

The cozy relationships of early 1991, however, had evaporated by 1992 in the face of economic collapse in eastern Germany.² Although the pay raise of April 1, 1992, was paid on schedule, many employers, especially small-to-medium-sized ones, complained that the continuing phase-in of nominal wage parity would ruin them economically. Gesamtmetall knew that if it did not make a stand on this issue, its membership density in the East would suffer, since many firms would seek to go it alone in hopes of working out a better deal with their

PROLOGUE

own threatened workforces (Silvia 1993, 22; Wever 1995).³ Employer criticism focused increasingly on the scheduled 26 percent pay raise due on April 1, 1993.

After failed attempts at renegotiation and arbitration in the winter of 1992–93, Gesamtmetall seized the opportunity to “play hardball” in what looked like a sure-win situation in the spring of 1993. A hard-line view came to dominate within the employers’ camp: with 40 percent real unemployment and massive job insecurity in the East, with no recent history of western-style collective bargaining or labor conflict, and with membership in IG Metall quite new and untested for eastern workers, mass mobilization and a successful strike in the East looked unlikely.

The employers announced their intention to cancel the contracts and proceed unilaterally with a 9 percent raise on April 1, instead of the scheduled 26 percent. IG Metall denounced the employer action as illegal and without precedent in the postwar period and filed a formal complaint with the labor court (not scheduled to be heard until May 14; Bispinck 1993b, 475–76). In the meantime, the union announced warning strikes, marches, and demonstrations beginning on April 1, to escalate toward a full-fledged strike throughout the metal industries of eastern Germany if no settlement were reached.

Employers denounced IG Metall as intransigent and out of touch with its membership in a desperate economic situation; the union accused the employers of breaking the postwar social contract and undermining the foundations of free collective bargaining.⁴ Employers, backed by the business press and the broader employer community—through the Federation of German Employers (BDA) and the Federation of German Industry (BDI)—appeared unusually confident of victory. Eastern metalworking employees, for their part, obviously felt betrayed by the unilateral reduction of their scheduled pay increases; yet according to numerous journalistic accounts, they were also wary about going out on strike in a period of massive layoffs and economic crisis. Union representatives spoke militantly in public of the need to defend collective bargaining and free trade unionism but more hesitantly in private of their uncertainty regarding the viability of a strike in eastern Germany.

Press editorials called for reason on both sides, especially exhorting IG Metall to avoid leading its new eastern members into a labor-market disaster. In a front-page editorial cartoon, *Handelsblatt*, Germany’s leading business daily, showed IG Metall president Franz Steinkühler sitting at the helm of a small boat, steering his eastern members over the crest of a great waterfall.⁵ The *Economist* titled its article on the coming conflict “Mass Suicide.”⁶

Although Gesamtmetall had signed a three-year contract in 1991, the temptation offered by mass unemployment proved impossible to resist. This was, after all, an employer’s dream labor conflict: the new federal states were suffering 40 percent real unemployment (producing massive insecurity on the part of remaining job-holders); the need to hold down costs to preserve jobs was real and desperate; and

the relationship between the (western) unions and their (eastern) members was new and untested. This was the ideal opportunity to show eastern employers (members and potential members of the employer associations) that Gesamtmetall could provide its constituents firm-level support during a labor conflict; a solid and aggressive united front against the powerful IG Metall; reduced labor costs and new wage flexibility as a bargaining outcome; and either a favorably reconfigured social partnership or a broader deregulation for unified Germany, with employers in the driver's seat at last. The stakes were high, but the prospects for victory bright.

APRIL WARNING STRIKES: A PARTICIPANT-OBSERVER'S VIEW

On March 31, the day before the first scheduled warning strikes, I was sitting in the headquarters of the employer association in Berlin, listening to the explanations and predictions of a high-level employer spokesman.⁷ According to him, and as other employers had explained in interviews in the preceding days, Gesamtmetall's hard line on contract cancellation and the unilaterally imposed 9 percent pay raise were necessary to rescue the eastern economy. Furthermore, IG Metall would come to its senses once it became apparent that easterners had no stomach for a real strike. Yes, there might be a few face-saving warning strikes, but no one could really believe either that eastern workers would vote to strike (with a 75 percent vote in favor required to authorize a strike) or that if they did, that they could hold out in a protracted conflict. From the employers' vantage point, this was the eve of a new era in which their own position would be consolidated in eastern Germany at the expense of IG Metall bargaining power. Although concerned about the imminent labor conflict, this employer spokesman was at the same time slightly flushed with the anticipation of a major victory.⁸

On the telephone that evening, I asked Manfred Muster, chairman of IG Metall for the city-state of Bremen in western Germany, what hope the union could have in such a desperate situation. Victory was widely predicted for the employers, who indeed seemed eager to push the union into a losing battle.

"I don't know what will happen," he replied. "We don't know if our eastern colleagues will strike. This is unknown territory, you know. We are in a position now where we have to fight, even if we may lose."

"What fall-back strategy is there if the strike doesn't work out? What compromise could the union accept?"

"The employers have broken the contract. We are willing to negotiate, but the employers must take back their contract cancellation and reinstate the principle of phased-in wage parity. Otherwise, collective bargaining is dead in Germany."

"But what if the easterners won't strike? So many of them have become disillusioned with IG Metall and other western unions for being unable to stop mass

PROLOGUE

layoffs over the past two years. Will they follow you now? The papers say you are leading them into disaster.”

“Listen, I don’t know what will happen. I only know that we have our backs to the wall now and have to fight. Rostock is Bremen’s sister city in the East, and tomorrow I go there to help organize the warning strikes. If you want to see for yourself what happens, meet me in Rostock.”

And so at 6 A.M. on the morning of April 2, I found myself in an industrial district of Rostock, with a small group of IG Metall members and works councillors, shivering in the dark and cold outside a Siemens electronics plant. This group’s job was to leaflet the morning shift at Siemens and other adjacent companies, to make sure that everyone knew about the warning strike scheduled for 11 A.M. Since this was a Friday, the plan was for everyone to walk off the job, march downtown for a rally at the shipyards, and then take the rest of the weekend off. The purpose of the warning strike was to demonstrate collective anger at the employers’ cancellation of the three-year contract with its scheduled 26 percent April 1 pay raise; show worker solidarity with union demands; and give the employers a foretaste of the readiness of eastern workers to go out on strike. A strong showing would bolster the union position heading into a full-fledged strike, as well as increase the likelihood of a favorable settlement. A weak showing would cut the ground from under the union position.

Siemens seemed an unlikely place to produce a large strike turnout. In the first place, Siemens is an electronics firm, the least union-friendly sector that IG Metall organizes. At this particular plant, restructuring since unification (including the plant’s purchase by Siemens) had meant a drop in workforce size from over 2,000 to around 600: the remaining employees were hardly likely to feel very secure about their individual job prospects. Finally, the “plant” here consisted mainly of a long, eight-story office building, occupied largely by white-collar workers, including many professional and technical employees and women, hardly the groups considered most highly organizable in traditional (and contemporary) western industrial relations.

My companions (two men and three women, all except Manfred easterners and members of Rostock IG Metall) handed out leaflets and talked with incoming employees. Most people were polite about taking leaflets and seemed genuinely interested in talking about the pros and cons of a warning strike—and would even stand out in the cold air for a few minutes to do so.

At one point, a Siemens manager (like almost everyone else at this plant an easterner) burst out of the lobby, demanding to know what these folks were doing there, urging his people to walk off the job.

“We are organizing a warning strike!” proclaimed Manfred. “This is our right under Article 9 of the Constitution.”

The manager turned away and reentered the building. Manfred’s eyes sparkled. “We are Germans,” he said with a wink. “You have to tell them it’s

legal. In Italy or France it wouldn't make any difference whether it was legal or not, but here it matters."

"What does Article 9 say about warning strikes?" I asked.

"Freedom of association. We use it all the time. He will probably go look it up. There won't be anything in there about warning strikes, but it should keep him quiet."

The manager never reappeared. Incoming employees continued to take leaflets and talk at length with the IG Metallers. The sun finally came up and warmed the air a bit. When the morning shift was in and two adjacent companies had been leafleted as well, we drove back to union headquarters for breakfast. Rüdiger Klein, an easterner and head of the Rostock IG Metall, reviewed their plans for the day. With a stack of paperwork a foot high—member applications for various benefits, especially those related to unemployment—he never stopped examining and signing documents as he and his colleagues talked tactics and strategy.

At 10:00 A.M., the union office emptied out as groups headed off in different directions for various workplaces around Rostock. Back at the Siemens plant, the head of the works council, clearly concerned, met us with the news that top managers had gone through the offices, threatening employees with "dire consequences" if they joined the warning strike.

Manfred jumped into the IG Metall van and drove around to the side of the building. He turned on the loudspeaker. "This is IG Metall speaking," he said. "Today we are going out on a warning strike. 11:00 A.M. This is our right under Article 9 of the Constitution."

I looked up to see faces appearing from behind the curtains, windows opening on all floors. "The employers have illegally canceled the contract. You were supposed to get a 26 percent raise yesterday; instead you got 9 percent. This is a historic moment when we get to decide whether to accept such demeaning treatment or whether to fight back. The warning strike is the first step in standing up for what is rightfully yours. Without this step, no further steps are possible. If we let the employers walk over us now, there will be no stopping them. Colleagues, you have the legal right to join the warning strike, and we all have the duty to do so if we value collective bargaining and free trade unions in the Federal Republic of Germany."

Manfred paused for air and then continued. More faces appeared at the windows. "It doesn't matter if some boss runs through the building telling you not to join us. You won't defend your rights behind the curtains. You won't get a 26 percent pay raise by sitting at your desk today. Our peace obligation expired yesterday when the employers canceled the contract. Our warning strike rights are protected under the law. Come join us, colleagues, come join us!"

Manfred drove around to the other side of the building and repeated his exhortation, loudspeaker blaring. Again, heads appeared in the windows. But what weight could Manfred's words carry against the real threat of job loss? Could this be any more than Don Quixote against the windmills?

PROLOGUE

At 10:45, the lawn in front of the building was still empty except for a few anxious works councillors. At 10:50, two or three warning strikers (or just curious onlookers?) appeared. Manfred drove back and forth, from one end of the building to the other, escalating the intensity of his exhortations. At 10:55, a few more emerged, a small handful for what looked like a very lonely march into town.

And then something quite surprising happened. At 11:00 A.M., as punctual as the German trains, the white- and blue-collar employees of Siemens streamed out through the main door. There were twenty, then fifty, then a hundred, two hundred, and still the numbers grew. As the sidewalks overflowed on to the lawn, what was happening came suddenly into focus: these workers, despite the threats and uncertainty, and at great personal risk had in fact stood up for what they believed was right and shut their company down.

The crowd appeared quite uncertain about what it was doing. People tensed up noticeably as two police cars sped around the corner and pulled up next to the IG Metall van. Manfred flipped the loudspeaker on again and declared: "We greet the colleagues from the police department who have arrived to join the warning strike and escort us into town." People cheered, the police shrugged and waved back, and a squad car moved forward to clear traffic for the march. Manfred spun the van around and eased down the street, followed by a long line of warning strikers turned marchers, now several hundred strong.

Along the route, small crowds from several other workplaces waited to join the march. The sun blazed down on a cool but beautiful April day. An IG Metall youth group joined at the front of the march with a wide red banner calling for wage solidarity East and West. Spirits rose as the numbers grew, and by the time the columns passed under an elevated subway station and swung into the main corridor to the shipyards, there were a good one thousand marchers. At the approach to the square in front of the shipyards, our march was joined by an equally large group from another part of town. Columns approached from other directions, the workers had already spilled out from the shipyards, and there they were, about five thousand eastern workers (according to union and press reports) milling around in the crisp sunshine in front of a lashed-together stage, participating together in this history-making event: the first legally sanctioned collective bargaining work stoppage in eastern Germany since 1933.

TV cameras rolled as union leaders (Frank Teichmüller, head of IG Metall for the northern coastal region, Rüdi Klein of Rostock, and Manfred Muster from Bremen) gave speeches. The crowd roared at the announcement that twenty-thousand warning strikers in greater Rostock had shut down the metal, shipbuilding, and electronics industries of the area until Monday.⁹

In the aftermath, at a press conference in the shipyards, back at the union office, and later that evening over Rostocker beer in a smoke-filled tavern, these union leaders were quietly ecstatic. Although they recounted over and over the

potential dangers ahead, they knew now that they had more support behind them than they had dreamed of. From that day on, the employers knew it too. The Rostock story was repeated in successful warning strikes all over eastern Germany on April 1 and 2. From then on, for the next six weeks, this first great eastern labor conflict since German unification, and the first major collective bargaining conflict in eastern Germany since the Weimar Republic—which Hitler had eliminated sixty years earlier along with free trade unions, codetermination, and collective bargaining—became a test of will and staying power.

THE MAY STRIKE

Successful warning strikes throughout the new German states April 1–2 and again April 14–15 shattered western preconceptions of eastern worker passivity. Even Michael Fichter, an astute, Berlin-based observer of eastern German industrial relations since 1989, had referred to “the widespread instance of lethargy and passive expectation . . . 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 particularly prone to such behavior” (Fichter 1991, 35).¹⁰

For Gesamtmetall, the comfortable illusion that easterners, after sixty combined years of Nazism and command communism, would no longer stand up for their own interests when forcefully challenged vanished. For IG Metall, the demonstrative shattering of this same troubling preconception cast new light on the union’s bargaining position in eastern Germany.

For a few days, an early settlement looked possible. Kurt Biedenkopf, prime minister of Saxony, offered his services as a mediator, leading to discussions between IG Metall and the employer association (VSME in Saxony) on April 4 and 5. An agreement was reached between the two sides, reinstating the scheduled April 1 pay raise but extending the timetable for full parity by one additional year. IG Metall headquarters in Frankfurt indicated its willingness to accept the compromise; Gesamtmetall headquarters in Cologne, however, turned it down, forcing the Saxon employer association chairman to resign his position. IG Metall pointed to this failed effort at compromise as evidence of Gesamtmetall’s unreasonableness.¹¹

Rumors of further behind-the-scenes discussions and possible compromise solutions circulated throughout the month of April and into May.¹² Publicly, however, both sides hardened their positions. After the second round of warning strikes on April 14–15, the first strike votes were scheduled for late April. Demonstrations of support for the eastern metalworkers organized by the DGB drew about 200,000 participants in both eastern and western Germany on April 24 and 25. The first strike votes, held April 26–28, yielded votes of 85 percent in favor in Saxony (the southern part of eastern Germany) and 90 percent in favor