

Institutional fragmentation of German collective bargaining: Is a (new) competition between unions emerging?

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1. INTRODUCTION

Among European trade union models the German model is seen as paradigmatic for unions that are organized around the "industry principle". This principle holds that trade unions (at least those of the DGB) predominantly organize workers from one industry regardless of their diverging occupations, political ideologies and religious directions (Dribbusch and Birke 2012). Together with employer associations, equally organized around one industry, this model of "Einheitsgewerkschaft" (literally unified union) forms a core element of the institution of industry-wide collective bargaining in Germany. However, the shrinking coverage of industry-wide multi-firm collective agreements in the last two decades raises also the question whether the model of "Einheitsgewerkschaft" remains a viable organizing principle for the future. While in the mid-nineties about 70% of the employees in West- and over 50% of the employees in East-Germany were covered by a collective agreement, in 2011 the coverage rate decreases to only 54% of the employees in West- and 37% of the employees in East Germany (Ellguth and Kohaut 2012, 2010). Along with the shrinking coverage of collective agreements, rival unions to the DGB unions have emerged, mergers and acquisitions among formerly separate DGB unions have decreased the number of DGB affiliates, and the competition between the remaining DGB-unions has increased.

Starting from this observation we maintain that a misfit between national wage-setting institutions and the (global) inter-firm network as the unit of value creation causes an institutional fragmentation of collective bargaining systems. Organizational networks of production often lead to a blurring of sectoral demarcations and organizational boundaries (Sydow 1992; Marchington et al. 2005). We argue that a fragmentation caused by a network-based reorganization has considerable consequences for collective wage bargaining, because it also affects the relationships between unions as it increases the likelihood and intensity of (status) conflicts about jurisdictions and organizational domains.

Although network-based reorganization has been observed for a variety of manufacturing and service sectors (see Rainnie 2011, Bair 2009 for overviews), the consequences of a network-based reorganization for national industrial relations institutions in general and union competition in wage setting arrangements in particular are not well understood. In addition, the research looking at the relationship between single unions in Germany usually is discussed in the light of the – rather weak – ideological competition between the DGB-unions and different political, confessional or occupational trade unions at the margins (Schroeder et al. 2011; Dribbusch 2010; Bispinck and Dribbusch 2008; Hoffmann and Schmidt 2008).

Competition and tensions between unions operating under the umbrella of the DGB have not gained much attention as it is assumed that these are a rare phenomenon and are usually solved in a constructive and cooperative manner through DGB institutions and arbitration bodies (Dribbusch 2010). However, we argue that of blurring industrial or organizational boundaries due to network-based reorganization also increases the competitive pressures in the relationships between single DGB unions.

Hence, we develop an organization-based explanation for an emerging union competition by emphasizing how the simultaneous splitting up and (re-)combining of various value creation processes through outsourcing, and sub-contracting of single parts, components, modules, and manufacturing-related services, happens to involve succinctly different unions across traditional sectoral and industry boundaries. In this situation of overlapping industry-union-domains, the different cultures, strategies and policies of service

unions and manufacturing unions meet each other in firm or newly emerging sector. How the unions react to this situation is open for question. Do unions engage in cooperation or do they start to cannibalize each other under these circumstances?

By providing some preliminary and explorative answers to this question we also speak to the much broader debate about incremental change and the dualization/segmentation hypothesis regarding (German) industrial relations (Thelen 2009; Streeck and Thelen 2005), by adding an organization-centered perspective to the issue of institutional (dis-)continuity. By looking at the dynamics on a micro-level we locate the origins of institutional fragmentation and macro-level institutional change in organizational developments at the meso-level of analysis. In a nutshell, we think that the re-organization of value creation into inter-firm networks crossing industry and firm boundaries (Marchington et al. 2005) and how the unions react as one important organizational pillar of the CB-system, is important to understand the mechanisms of how collective actors, especially the unions, might cope with institutional fragmentation. Hence, empirically, the paper aims at illuminating how network-based re-organization changes qualitatively the relationship between the (DGB-)unions as a cornerstone of the traditional wage-setting process. We have selected industrial services because of their emblematic character for the network-based re-organization taking place across traditional industry boundaries. The material reveals important insights into how the unions struggle with institutional fragmentation by examining the practices unions choose to cope with the changing situation. In doing so, it is shown that depending on the constellation of union relationship in terms of number of involved unions, strong unionized original industries and distance of bargaining strategies the unions choose either a cooperative or competitive approach.

2. INSTITUTIONAL CHANGE AND CHANGING UNION-RELATIONSHIPS

Depending on the point of view, the opinion about the future of industrial relations institutions and especially the collective bargaining procedures in Germany range from the development towards a more unitaristic system of bargaining (Streeck and Hassel 2003; Hassel 1999) and the continuity of industry-based collective bargaining institutions despite adverse conditions (Silvia and Schroeder 2007). Depending on whether the first or the latter perspective is taken up, also the forecasts in terms of the future union-landscape will be quite different and might range from adaption of previous principles to the marginalization of unions. But while the change of collective bargaining institutions is predominantly discussed as a dichotomy of (relative) persistence and radical change, in reference to Thelen (2009) the present text will focus the emergence of hybrid forms between radical change and adaptive continuity of collective bargaining institutions. Regarding the international discussion about the Varieties of Capitalism-approach (i.a. Hall and Gingerich 2009), Thelen's perspective of historical institutionalism wants to overcome the dichotomy by revealing processes of incremental change, whose outcome move between the extreme points of institutional continuity and complete de-institutionalization. It is argued that this incremental change might cause a dualization of institutions (Palier and Thelen 2010; Thelen 2009; Streeck and Thelen 2005). Thelen (2004, 2009) assumes that the construction of institutions is generally controversial. It can be said, that institutions are subject to political dynamics, which allow changes over time (Thelen 2009), although these are incremental first and only transformative in cumulation (Streeck and Thelen 2005). Thus, one can distinguish between three general forms of institutional change regarding the role and relationship of unions: (1) adaptive continuity, in which the well-established principle of "one industry=one union" is transferred onto the emerging field of industry-related services, (2) radical change, in which (industry-)unions are marginalized or even disappear and (3) dualization respectively segmentation, in which traditionally unionized core industries exist beside new unions and a non-unionized periphery.

While inquiries in the Anglo-Saxon context reveal rival unionism or union competition as quite common phenomena in countries like the US (Stepan-Norris 2010; Pawlenko 2006), this issue was not really important for the German context, because of the *Tarifeinheit* and the dominance of the DGB-unions. Nevertheless studies about the changing relationship of single unions in Germany recently appeared and emphasize especially the (re-)emergence of occupational unions (Schroeder et al. 2011; Bispinck and Dribbusch 2008; Keller 2008) and the challenges of Christian unions (Dribbusch 2010), which not rarely lead to an

inter-union competition to the industry-unions of the DGB. In this context Bispinck and Dribbusch (2008) identify three different fields of union competition. On the one hand the competition in the field of collective bargaining and the competence to set standards for a particular sector and on the other hand the competition about members and mandates in bodies of codetermination, like the works council. Regarding the field of collective bargaining competencies, it is argued that the changes are expressed through an inter-union competition which leads to two forms of rivalry characterized as the overbidding or undercutting of the DGB-unions' collectively bargained standards (Dribbusch 2010; Bispinck and Dribbusch 2008). Although the intra-organizational tensions between the single industry-unions of the DGB are mentioned (Dribbusch 2010: 7), they are seen as marginal and the analyses are limited to intra-sectoral competition between DGB- unions and different confessional or occupational trade unions. Nonetheless in the face of blurring organizational and industrial boundaries (Marchington et al. 2005) due to network-based reorganization this analytical limitation seem to be insufficient. According to this an organization-centered approach of institutional (dis-)continuity should take the emergence of organizational arrangements of a network type and the accompanied changing relationships of the DGB-unions into account.

3. AN ORGANIZATION-CENTERED APPROACH OF INSTITUTIONAL (DIS-)CONTINUITY

However, inter-organizational strategies of firms due to a network-based reorganization of value creation influencing the form of institutional change are neglected. Based on the thoughts of Thelen, we want to offer a proposal, which takes this network-based reorganization in terms of institutional change and its consequences for union-relationships into account. For this, it is proposed to take up an organization-centered perspective by looking at organizational processes of institutional change, so that you can specify the underlying political dynamics, because the misfit of institutionalized codes of practice and the organizational basics of the institution evokes strategies of the actors to change or avoid existing rules (Knight 1992).

So in terms of inter-union relationship this means that network-based reorganization in the course of increasing corporate disintegration (Doellgast and Greer 2007; Flecker and Meil 2010) leads to the situation that institutionalized codes of practice like the jurisdiction along industry misfit the new organizational configurations with blurring organizational and industrial boundaries (Marchington et al. 2005) so that the rule of complementary relationship between the single industry unions of the DGB changes. Hence in the face of this new constellation the unions have to develop practices to cope with these new challenges, which might facilitate institutional change. By looking at the inter-union relationship under these circumstances insights of the research regarding rival unionism reveal that although unions usually try to avoid competition, it might have positive effects on the development of single unions (Stepan-Norris 2010; Pawlenko 2006). But while the competition between unions is presupposed in this research, the unions' possibility to choose between competition and cooperation as well as the conditions which make one or another behavior more likely are neglected. In order to take this into account research in the context of social movement unionism offers some fruitful insights (i.a. Frege et al. 2004; Turner and Hurd 2001; for the German context see Rehder 2008). Hence Frege et al. (2003) identify different factors which promote the cooperation of unions and other organizations. In referring to these explanations possible decisions between competition and cooperation can be explained. According to this organizational power of the union is a factor, which influences the willingness to cooperate with other organizations. So if there are enough resources the cooperation is less likely. Another factor refers to the structures or philosophies of an interest-organization. So these organizations prefer to cooperate with similar organizations in terms of organizational philosophies, which mean that differences in decision making structures make cooperation less likely (Needleman 1998). As a further driver Frege et al. (2004) identify the self-concept of a union, described as union identity. Under reference to Hyman's classification of union identities (2001), it is hypothesized that a union with a strong market orientation is less willing to cooperate than unions with a class- or social integrationist-orientation.

So if organizational processes mediate processes of institutional change, especially the corporate organization and the collective actors (unions, employers' associations) can be seen as the unit of analysis. Therefore it is supposed to look at organizational processes on two different levels: First the firm-based processes, in which the change in collective bargaining is interpreted as a result of network-based reorganization, which effects an adaptation of the firm regarding the uncertainties and dynamics (Streeck 1987; Kalleberg 2000, 2001; Nienhüser 2007; Kädtler 2009; Windeler and Wirth 2010). Beside the effect of network-emergence on the institutional change in collective bargaining, the associational level of labor relationship is also taken into account. In doing so, processes concerning the associational integration capability of collective actors (Traxler 2007, 1993; Schmitter and Streeck 1999) are inquired to shed light on the changing relationships between different (DGB-)unions and their decision for cooperative or competitive approaches.

4. THE EMERGENCE OF PARALLEL WORLDS: INDUSTRY-RELATED SERVICES AS A PROTOTYPICAL CASE

With the analytical integration of firm- and association-based processes, the specific combination of labour-political strategies and associational (dis-)integration can be connected with different expectations in terms of institutional change. Thus, the dichotomy of radical change and adaptive continuity is dissolved and the empirical scope of expectations extended to a continuum, which includes radical change, i.e. an implementation of situations with no collective agreement, as well as a fragmentation into parallel worlds of collective wage-setting, i.e. a coexistence of different regulations, and an adaptive continuity, i.e. the reproduction of existing regulation. At the same time there can be an empirical inquiry of the change of collective bargaining system. In the present context this includes the evaluation of network-based reorganization (e.g. changing units of value creation, typical employment relations, etc.), of the associational (dis-)integration (e.g. development of a collective identity) and the effects on the arrangement of collective wage-setting (e.g. enforcement of negotiated rules) by the actors of collective bargaining.

We assume, that the fragmentation of collective wage-setting and a changing union-relationship can be observed the best in the field of industry-related services, like facility services, repair and maintenance of plants as well as sub-contracting and temporary work (Dolvik and Waddington 2005; Artus 2008). The prototypical character of the industry-related services is a result of the outsourcing of single processes from a formerly integrated company and the arrangement in inter-organizational networks, with which the traditional borders of organizations and industries increasingly blur. So the transitions from service done by temporary workers, an internal performance from a subsidiary or the externalization to a service-partner are fluent and frequently combined in the same firm. The business models of the service-firms are designed inversely and range from independent service units inside a firm (shared services) over specialists of one service to integrated service-providers.

4.1. Empirical design and analysis

To empirically inquire the fragmentation of collective wage-setting and the consequence of network-based reorganization and associational disintegration for the relationship of unions, we have collected 23 interviews with representatives of unions and works councils in the field of industrial service firms (especially production-related services and facility services) and their corporate clients as our primary sources. To capture the process of network-based reorganization we conducted 14 additional interviews as contextual sources (see table1).

Table 1: Interviews

	Actor	Service-firm	Client-firm	Total
Primary Sources	Union	6	4	10
	Works Council	6	7	13
Contextual Sources	Employers' association	4	1	5
	Management	6	3	9

Following an organization-centered approach of institutional change, we asked questions about firm-related as well as association-related processes and focused on the consequences for collective bargaining, the relationship of the unions involved in the process and the practices unions choose to meet the accompanied challenges. The questions were mainly concentrated on the business model of the service- and customer-firms, including the service-orientation and processes of restructuring, on HRM-practices and on the consequences of fragmented bargaining structures on the relationship between unions as well as how the unions struggle with difficulties in forming goals and strategies, the disruption of collective interest aggregation and the problems for interest intermediation in labor-management-negotiations. Especially the previously identified fields of potential inter-union competition (members, mandates in bodies of co-determination and collective bargaining competencies) (Bispinck and Dribbusch 2008) and the decisions either to compete or to cooperate were focused.

The service-firms were seen as the main unit of analysis. According to the concentration on labor-intensive services we have primarily chosen firms and corporate units from the field of Facility Services (FS) and Technical Services (TS). In addition to that and starting from the service firm, managers of typical client firms and responsible works councilors were interviewed. In order to capture the consequences on an associational level we talked to employers' associations' and unions' representatives.

The following summary of our analysis, which was done with atlas.ti, is structured as follows: First the statements regarding the organization-centered processes of network-based reorganization were focused, second the consequences for collective bargaining, before – third – we want to shed light on the changing relationships between (DGB-)unions (see table 2).

Table 2: Exemplary quotations¹

<i>Organization-centered processes</i>		<i>"[Today] a lot of activities are services (..), which used to be a part of the classical integrated firm" (Employers' AssociationTS1)</i>	
<i>Fragmentation of collective bargaining</i>		<i>"There are only fewer firms, which retain their collective agreement in the course of outsourcing-projects. Usually with the transfer of undertakings the collective agreement is cut" (UnionFS1)</i>	
<i>Inter-union relationship</i>	<i>constellation</i>	<i>[All these service-firms] "are firms, which at any time came from an original industry which was covered by one industry-union (...) [and with the network-based reorganization] depending on the original industry [of the service-firms], suddenly unions with different approaches encounter each other" (UnionFS1).</i>	
	<i>Approach</i>	<i>Union-cooperation</i>	<i>Union-competition</i>
	<i>Basic conviction</i>	<i>"One union on its own can't succeed [in those service firms]" (UnionFS4)</i>	<i>"Every union is usually convinced having the best strategy [in collective bargaining] (...) also within the DGB-family" (UnionFS4)</i>
	<i>Need for action</i>	<i>"the question is, if the unions succeed to say: ok (...) the principle one firm one union cannot be applied to these new developing industries, therefore we have to work together" (UnionFS1)</i>	<i>"We say we re-define the term of the plant as holistic (...) and we claim to be responsible for the whole value creation" (UnionTS1)</i>

¹ The interviews were done in German. All Quotations were translated by the authors.

	Practices	<i>[Tarifgemeinschaften]" in which the DGB leads collective bargaining but under the inclusion of the single [industry-]unions (...). This might or should be the model of the future, (...) where we have overlapping activities" (UnionFS3).</i>	<i>"This is a question of the union-lawyers (...). There is a whole division which deals with conflicts about the jurisdiction with our sister-unions" (UnionCL2)</i>
	Effect	<i>"we recognized, that you can chase the corporation better with joint action" (UnionFS1)</i>	<i>"From the firm's perspective nothing better could happen, that several unions paralyze each other" (UnionFS1)</i>

4.2. Network-based reorganization: From permanent employee to a two masters' servant

Regarding the firm-related processes, the network-based reorganization of inter-firm-relationships ranks first. So according to a statement of a union's representative (Facility Services) the clients "have reduced their activities – accepted from the society – to their core competencies; therefore this service-sector arises" (UnionFS3) and is "without question still a growing area" (Employers' association TS1). The assessment of the growing relevance of industry-related services as a consequence of a client's strategy is also shown by the following management-statement: "The industry-related services are nothing else than an extended bench, which overtakes process, which are rather near to the product. This means it starts with the quality-management and construction on site, then you immediately have logistics, because the material has to be broad to the assembling line. These are these logistic processes, which we design, so that we always can offer an all-around-package for the client and we say: you can concentrate on your products and everything around the production could be done by us" (ManagementTS1). But also the big growth in employment of the industrial service sector is heavily promoted by the fact, that a lot of activities formerly done in the context of the own organization were given to external service partners, so that "[today] a lot of activities are classified as services (.), which used to be a part of the classical integrated firm" (Employers' AssociationTS1).

The outsourcing of service-activities corresponds to a strategy of external flexibilization, whose reasons were summarized by works councilor of a client as follows: The subcontracting "has first an economic reason (...) to secure the core-employees – in which the unions and the firms are interested. On the other side there are activities, where the core-employees say: We are too good to do this. (...) And the third aspect is that (...) this is a question of protection, of buffering, to buffer crises and cyclical development. Therefore you take this industrial reserve army" (Works CouncilorCL1). Whereby a situation occurs, where partly only 20-30% of the whole employees were employed directly by the client (UnionCL2) and the risks were externalized. From the service-firm's point of view arises the for this business model typical employment relationship, where the client is involved: "[There are] people, who are employed by FirmA and work at FirmB; they rather commit to FirmB [...]. They don't say I'm from the service-firm SecCorp, but that's my client" (UnionFS3), so that there is no clear commitment to the actual employer and the industry of the worker.

4.3. Fragmentation of collective bargaining: From bargaining unity to rule ambiguity

In the context of network-based reorganization situations of rule ambiguity, where similar work and activities is paid differently, occur. One reason for this is that no industry-related collective agreements were enforced. From unions' point of view the typical conditions of collective wage-setting fragmentation are illustrated in the following quotation: "In principle it is an atomization, because the firms (...) are stemming from original industries, which are constrained by their collective agreements (...) with the carving out suddenly everything is gone. There are only fewer firms, which retain their collective agreement in the course of outsourcing-projects. Usually with the transfer of undertakings the collective agreement is cut. The transfer of undertakings leads to the situation that people take their conditions with them, but only statically. And there is no attachment to an employers' association anymore or the linking to an industry-related collective agreement. And this, you find in most of the outsourcing-projects" (UnionFS1). Accord-

ing to this, working contexts emerge, in which a part of the employees “work under the conditions of the collective agreement [of the original industries]. But aside works a logistician, (...) paid according to the collective agreement of logistics and a supplier, which has not even a collective agreement.” (UnionFS2).² Basically the rule ambiguity appears from the competition of different wage-setting standards, at least where they exist, of the service-firms and the client-firms, which still pay the same activities (at least to some extent) according to the collective agreement of the original industry. In handling this ambiguity no homogenous industry-wide strategies of wage-setting of the service-firms have appeared yet. So in contrast to well-rehearsed patterns of interaction, the relationship of collective bargaining in the context of industry-related services is shaped by an alteration of quite intensive conflicts and temporary consensus.

4.4. Inter-union relationship: From the monopoly of representation to competition

Cause for a possible inter-union relationship is the emerging constellation due to the fact that all these service-firms “are firms, which at any time came from an original industry which was covered by an industry-union” (UnionFS1). Hence, “you often (...) have the situation that the same people used to be working in car manufacturing, now continue their activities under the conditions of a logistics firm” (UnionTW2). So in terms of union-competition it appears, that “depending on the original industry [of the service-firms], suddenly unions with different approaches encounter each other” (UnionFS1).

Given the well-established idea of jurisdiction along the industry-principle the responsibilities in this context of multiple unions of various origins in one corporation are rather unclear, so that a union representative states: “[the responsibilities] are clear for us [the constructors’ union], are clear for the metal-union, are clear for the service-union, but they are not cleared consistently” (UnionFS1). Therefore in all branches organizational difficulties to choose between a cooperative or competitive strategy regarding other (DGB-)unions are revealed.

In doing so, one can identify two different *basic convictions*. On the one hand there is the conviction that you need particular cooperation between unions in such corporations, based on the assumption that “one union on its own can’t succeed [in those service firms], (...) because the union never represent the majority of the employees” (UnionFS4). In contrast to this other representatives still insists upon clear defined demarcation and emphasize that “also within the DGB, there are more or less different strategies in terms of collective bargaining” (UnionFS4). Hence, on the other hand there is the much more competitive opinion that the “union is usually convinced having the best [collective bargaining] strategy (...) also within the DGB-family” (UnionFS4). Depending on the distance between the different strategies some of these strategies seem to be incommensurate, which makes a cooperation between these unions less likely (UnionTS1; UnionTW3; Works CouncilorTS2). Hereby especially the dividing line between the service-union and the unions from classical industries (metal and chemical) is obvious. The service-union seems to be more conflict- or class-oriented (UnionTW2), whereas the classical industry-unions partly use economic argumentation to legitimate their actions (Works CouncilorTS2). So the different identities and philosophies regarding the bargaining culture are emphasized. According to this the opinion about the *need for action* differs fundamentally as well. While those preferring a cooperative approach concentrate on “the question, if the unions succeed to say: ok (...) the principle one firm one union cannot be applied to these new developing industries, therefore we have to work together” (UnionFS1), those with a more competitive conviction answer the challenge with the broadening of their claimed jurisdiction. One example for such a broadening is the re-definition of “the term of the plant as holistic (...) and [the] claim to be responsible for the whole value creation” (UnionTS1). Although a unionist complains that “(...) the unions look primarily at their own members, so that you don’t have a common answer by the unions” (UnionFS1), a working councilor adds: “nobody wants to talk about the fact that we [the DGB-unions] sneak members of each other” (Working CouncilorCL1). But especially in “strong unionized areas [of the original industry] (...), it is difficult for the employees to say: Ok, I peel off my union identity and go to another

² In one case a situation is described, where there are „about 20 different regulations in terms of collective bargaining, up to free or absolutely no agreements” (UnionFS1).

er union” (UnionFS1), who claims to be responsible. In any case regarding the organizing of members these statements reveal the tradeoff between cooperative and competitive strategies, when unions are confronted with organization- and mobilization-problems in such constellations. Thereby one can emphasize the role of strong unionization of the original industries, which – from a position of strength – claim to be responsible for the emerging industry as well.

Derived from these insights different *practices* can be observed. Following a rather cooperative approach and in order to coordinate the union-activities in the emerging field of industry-related services in terms of collective bargaining, some unionist advocate for a stronger involvement of the DGB, like in the case of “temporary work, where the DGB leads collective bargaining but under the inclusion of the single [industry-]unions (...). This might or should be the model of the future, also for other areas, where we have overlapping activities” (UnionFS3), which is described as a “healthy competition, where you can say: come on, let’s look how can we work together and develop strategies in that field” (UnionFS1). One example is the *Tarifgemeinschaft* between the constructors’, the metal and the chemical union, which bargains for the employees of an industrial service firm (UnionTS1; Employers’ AssociationTS1). And with the organization of working groups by works councils inside and between chemical parks – which includes various works councils from different firms, independent from their union affiliation – there is also an example of cooperative behavior on a plant-level (WorksCouncilorTS2). But according to the basic convictions previously mentioned there are also competitive approaches, in which one union claims to represent the employees of the new emerging field and the opinion prevails: “This is a question of the union-lawyers (...). There is a whole division which deals with conflicts about the jurisdiction with our sister-unions” (UnionCL2). Correspondingly a representative of the metal union announces that they want to fight for the jurisdiction for the facility services against the constructor’s union (UnionTW1), which affirms the statement that “it is really difficult in the field of facility services, where the constructors’ union and the metal union clash quite confrontationally” (UnionFS1). Thereby it seems to be relevant how many unions are involved in this inter-union relationship. In the latter more competitive relationship it is obvious that mostly two unions face each other, whereas in the situation of *Tarifgemeinschaften* or the working group on a plant-level various unions encounter each other and decide to cooperate.

But also the *effects* were evaluated differently. On the one a representative warns that “the worst thing could happen, is that, unions struggle about some claims without recognizing that everybody declines (...) [because] from the firm’s perspective nothing better could happen, that different unions paralyze each other (...) [instead] we recognized, that you can chase the corporation better with joint action [of the unions]” (UnionFS1). On the other hand other voices emphasize that regarding the new emerging industrial services and the overlapping domains a continuous “cooperation would mean for the future, that in every firm every union will be involved and we would only have DGB-agreement” (UnionTW1), which would be an abandoning of the German system of collective bargaining and which is particularly refused by the metal union. Nonetheless with a look on the statements one observes that also in the field of collective bargaining a tensional relationship not only between the DGB-unions and occupational unions, but also within the DGB exists. Hence in the field of industry related services the single industry-unions of the DGB are continuously faced with the decision either to cooperate or to compete with other unions.

5. A NEW UNION-COMPETITION IN GERMANY?

From a theoretical point of view it seems to be quite fruitful to take the organization-related dynamics on a meso-level into account if you want to explain the mediation between strategic orientations on the micro-level and phenomena of institutional change on a macro-level. After a qualitative-explorative analysis in terms of emerging parallel worlds of collective bargaining and the changing relationships of the (DGB-)unions one can state, that due to a reorganization of value creation union competition increases as well as scope for coordinated action: Due to network-based reorganization a fragmentation into parallel worlds of collective bargaining cross-wise to traditionally well-established organizational and industrial borders leads to the encounter of single industry-unions and causes a trade-off – even within the DGB – to develop practices in order to compete or to cooperate with other unions. Such a form of fragmentation can be

distinguished from other types of change in collective bargaining in means of organization-centered aspects and their consequences for union relationships (Table 3).

Table 3: Ideal-types of change in collective bargaining

Criteria		Types of institutional change		
		Radical change: Normalization of situations of no collective agreement	Adaptive Continuity: reproduction of collective bargaining regulation	Fragmentation: Emergence of parallel worlds of collective bargaining
<i>associational (dis-) integration</i>		Decline of unions; at most development of firm-unions	Union-responsibilities still predominantly classified after the principle of industry; “one industry=one union”	actors from multiple industries, (new) competition of unions, associational pluralization
<i>Consequences for relationship between (DGB-) unions</i>	<i>jurisdiction/ domains</i>	corporate unilateralism	clear redefinition of demarcation in terms of employee representation along industry principle	unclear jurisdictions/domains in terms of employee representation
	<i>(Collective) bargaining standards</i>	Differences classified by individual primary power	Standards negotiated by a single industry-union	Heterogeneous parallel worlds and competing standards
	<i>Organizing members</i>	No organization; at most organizing members of a single firm	Industry-based organizing of employees independent from occupation or political conviction by a single industry-union	Overlapping organizing domains due to unclear demarcation
	<i>relation between (DGB-) unions</i>	none	complementary	Competitive/ cooperative

In our point of view, a radical change of the German industrial relations, in which collective organization is entirely replaced by corporate unilateralism, is not to be expected. Indeed, through the decreasing integration-capability and the missing formation of collective bargaining identity, the associational pre-conditions of industry-oriented collective bargaining are affected. At the same time the institutional fragmentation can also be distinguished from adaptive continuity, because of its major transformative potential, which is based on different organization-centered processes on a firm- as well as on an association-level. We claim that in the case of network-based value creation, established rules, hitherto seen as the normative base of an industry-based collective bargaining in Germany – e.g. “one firm, one association”, “member firm of an employers’ association = collective agreement” or “one firm, one union” – only count to a limited extend. Especially the continuous outsourcing of single activities creates further fragmentation. With the abolition of clearly defined borders of domains, missing or less-developed industry-identities, increased through the lack of complementary identity-developing institutions like formal qualification or orientation of conflict-partnership, the basic principles of bargaining to define standards diminish and their obligation is drained in rule ambiguity, which challenges the collective actors in a fundamental way. With the blurring of organizational and industrial boundaries the central principle of union organization by industry is put into jeopardy. With this fragmentation characterized through a new plurality of actors and coalitions on both sides, a competition regarding collective bargaining competencies, organizing members and getting as well as executing mandates in codetermination bodies is established, where clear-defined associational monopolies on regulation of collective bargaining standards used to be applied. Based on the example of industry-related services we argue that the middle-term consequences of network-based value creation is the emergence of a (new) union-competition, which forces the single industry unions to decide between competition and cooperation. Building on explanations of the social movement

unionism research (i.a. Frege 2004) we identified four different dimensions which influence the tradeoff between cooperation and competition (Table 4).

Table 4: Likelihood of cooperative or competitive behavior

	Cooperative	Competitive
Similar union identity	+	-
High distance between collective bargaining strategies	-	+
Strong unionized original industries	-	+
High number of involved unions	+	-

First of all and especially regarding the dividing line between service-union and classical industry unions (metal and chemical) the factors of similar union identity and the distance between collective bargaining strategies are relevant in terms of cooperative or competitive behavior. While a similar union identity promotes cooperation between two DGB-unions, a high distance between the collective bargaining strategies of the single unions make cooperation less likely and rather provokes a competitive behavior. By looking at the organizational power of the original industries, a strong unionized field leads to the claim of exclusive jurisdiction and a rather competitive basic conviction. Beside the previously identified factors the empirical material reveals a further factor. So it seems to be relevant how many unions are involved. With a high number of unions in one firm or field a cooperative strategy seem to be more likely, whereas in the case of two confronting unions a competition due to jurisdiction claims gets more probable. Regarding the fragmentation of (German) industrial relations institutions it can be said that possible cooperation might lead to a reconfiguration of coalitions under which the current institutions can be stabilized, whereas the competition of the DGB-unions might be healthy in few cases (especially for single unions) but can lead to vacuums of representation where these centrifugal forces of competition get too strong. Once opened other unions, no longer under the umbrella of the DGB, potentially push forward in these vacuums and undermine the central principles of *“Einheitsgewerkschaft”* and *“Tarifeinheit”*. To sum up one can state that the field of industry-related services – in comparison to the traditional industries of collective bargaining – isn’t an established field, but in the middle of an institutionalization process – with an unknown end.

Altogether this seems to be a rather important and forward pressing problem for the DGB because particularly with development of industry related services, which arise from traditional industries and spread cross-wise to traditional core industries of the German economy, this new union competition is not limited to small peripheral fields, but reaches the strong-unionized domains of the single industry-unions. In conclusion we want to point out that the situation of fragmentation of collective bargaining and the encounter of (DGB-)unions is not temporary, but reveal numerous unresolved challenges for the collective bargaining actors in the context of network-based reorganization and raises the question if and how the unions succeed in the contest of this new inter-union relationship due to a network-based reorganization.

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