

## Introduction: Democratization and the “German Model” of Labor Relations

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Democratic institutions have succeeded far better in the Federal Republic of Germany than in the Weimar Republic, and the lessons of this experience are important for anyone who hopes to encourage the spread of democracy in the world today. Most scholars focus on specialized studies of either the Weimar or the Federal Republic, however; we have very few well-researched long-term studies that seek to explain why the former collapsed and the latter flourished.<sup>1</sup> Many factors have been identified that help to explain the success of the Federal Republic, including Allied occupation policy after 1945, the Marshall Plan to assist economic recovery, a favorable international economic environment, a learning process among German politicians and voters, and the leveling impact on German society of the Nazi dictatorship and Second World War. Scholars cannot agree, however, on the relative importance of these factors, or what precisely Germans learned from the experience of the Third Reich.<sup>2</sup> The two most successful German political experiments after 1945 were undoubtedly the merger of Germany’s rival labor federations for socialist, Christian social, and liberal workers into a single German Labor Federation for all workers, and the decision by most practicing Catholics and many Protestants to unite in a single political party, the Christian Democratic Union. Only one group played a leading role in

<sup>1</sup> For rare examples see Noel Cary, *The Path to Christian Democracy: German Catholics and the Party System from Windthorst to Adenauer* (Cambridge, MA, 1996), and Peter Lösche and Franz Walter, *Die SPD: Klassenpartei – Volkspartei – Quotenpartei* (Darmstadt, 1992). For thoughtful textbook accounts, see Volker Berghahn, *Modern Germany: Society, Economy and Politics in the Twentieth Century*, 2nd edn. (Cambridge, 1987); Mary Fulbrook, *A History of Germany 1918–2014: The Divided Nation*, 4th edn. (Chichester, West Sussex, 2015); and Dietrich Orlow, *A History of Modern Germany, 1871 to Present*, 7th edn. (Abingdon, 2016).

<sup>2</sup> See for example Ralf Dahrendorf, *Society and Democracy in Germany* (New York, 1969); A.J. Nicholls, *The Bonn Republic: West German Democracy 1945–1990* (Harlow, Essex, 1997); Lothar Kettenacker, *Germany since 1945* (Oxford, 1997); Barry Eichengreen, ed., *The Reconstruction of the International Economy, 1945–1960* (Cheltenham, 1996); Wade Jacoby, *Imitation and Politics: Redesigning Modern Germany* (Ithaca, 2000); and David Conradt and Eric Langenbacher, *The German Polity*, 10th edn. (Lanham, Maryland, 2013).

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both these experiments, the veterans of the Christian trade unions that existed from the 1890s until 1933. This book will offer the first comprehensive history of their political role from the dissolution of the Weimar Republic until the Federal Republic of Germany achieved genuine stability and overwhelming support in the electorate.

One factor in the process of democratization has attracted special interest from social scientists, the emergence of the so-called German Model in the 1950s, a distinctive approach to social policy and labor relations characterized by high levels of public spending on social welfare programs; laws that gave workers a meaningful voice in management decisions; remarkably low strike rates (when compared to other countries); and cooperation among employers, trade unions, and elected factory councils to encourage technological innovation and improve vocational training. Many leftists deplore organized labor’s willingness to cooperate with business, while many conservatives deny that the trade unions deserve any credit for economic growth. It seems undeniable, however, that this model helps to explain Germany’s perennial success as an exporter of high-quality manufactured goods, its high per capita income, and its relatively low unemployment rates. The question of whether the German Model remains viable in the twenty-first century is highly controversial. The economic sociologist Wolfgang Streeck has argued forcefully that it is dead because of the weakening of organized labor and government regulatory bodies, trends that have unleashed predatory behavior by large corporations.<sup>3</sup> Several economists have recently presented hard evidence, however, that the German Model remains vital to explaining why the German economy has greatly outperformed most other European economies in the decade since 2006.<sup>4</sup> This book will shed new light on how the German Model came into being, because it was always supported most enthusiastically by the Christian trade unionists and was in some ways designed by them. Their success in this regard is still relevant to understanding the foundations of German prosperity today.

<sup>3</sup> See Tilman Mayer, Karl-Heinz Paqué, and Andreas Apelt, eds., *Modell Deutschland* (Berlin, 2013); Wolfgang Streeck, *Re-Forming Capitalism: Institutional Change in the German Political Economy* (Oxford, 2009); and Streeck’s almost apocalyptic arguments in *How Will Capitalism End?* (New York, 2016).

<sup>4</sup> Wendy Carlin and David Soskice, “Reforms, Macroeconomic Policy and Economic Performance in Germany,” in Ronald Schettkat and Jochem Langkau, eds., *Economic Policy Proposals for Germany and Europe* (Abingdon and New York, 2008), pp. 72–118; Wendy Carlin and David Soskice, “German Economic Performance: Disentangling the Role of Supply-Side Reforms, Macroeconomic Policy and Coordinated Economy Institutions,” *Socio-Economic Review*, 7 (2009): 67–99; Steffen Mueller, “Works Councils and Establishment Productivity,” *Industrial and Labor Relations Review*, 65 (2012): 880–898.

The early origins of the German Model seem clear. German workers organized the largest socialist labor movement in the world between 1870 and 1914 and thereby posed a great challenge to elites. The elites responded with harsh repression, but even under the Anti-Socialist Law in the 1880s, Bismarck enacted programs for public health insurance for factory workers and modest pensions for elderly or disabled workers. After the Social Democratic Party (SPD) and trade unions were decriminalized in 1890, they grew by leaps and bounds. The SPD posed a new challenge with its very popular Erfurt Program of 1891; it embraced Marx’s theory that capitalism was doomed to collapse but advanced relatively moderate specific demands, such as improved safety inspection of factories, the repeal of laws forbidding unionization among certain categories of workers, and a progressive income tax. The Erfurt Program encouraged civil servants, academics, and the Protestant and Catholic clergy to offer their own plans for social reform that adopted some demands of the SPD. By 1914 social insurance and improved nutrition and urban sanitation had caused a significant increase in life expectancy for workers and alleviated anxiety. The SPD retained a Marxist definition of its ultimate goal, but reformist and Revisionist socialists exerted growing influence on its tactical decisions, and the legislative proposals of the SPD and middle-class social reformers converged.<sup>5</sup>

Most employers continued to combat trade unionism, however, and Germany experienced unprecedented labor strife and political violence under the Weimar Republic. It remains difficult therefore to explain how the country transitioned from the discussion of social reform before 1914 to the consensus-oriented practices of the German Model. As we shall see in Chapter 1, Germany achieved significant progress in social legislation in the Weimar Republic that was influenced directly by the Christian trade unions. However, because of competitive rivalry with the socialist Free unions, the Christian unions adopted a dubious political strategy of alliance with conservative Protestants who sometimes combated the Weimar Republic. Most Christian trade unionists favored political cooperation between Catholics and Protestants in a “Christian Democratic” party, and more and more younger colleagues demanded close cooperation with the Free trade unions to defend workers’ interests. The shared experience of persecution under the Third Reich heightened their sense of workers’ solidarity. The functionaries of the Christian trade unions

<sup>5</sup> Gary Steenson, “*Not One Man! Not One Penny!*” *German Social Democracy, 1863–1914* (Pittsburgh, 1981), esp. pp. 247–250; Gerhard A. Ritter, *Social Welfare in Germany and Britain: Origins and Development* (Leamington Spa and New York, 1983), pp. 17–130; Helga Grebing, *Geschichte der sozialen Ideen in Deutschland: Sozialismus – Katholische Soziallehre – Protestantische Sozialethik. Ein Handbuch* (Essen, 2000).

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maintained an effective network under the Third Reich, and as we shall see in Chapter 2, they hurled themselves in 1945 into the effort to found today’s Christian Democratic Union (CDU) and unified German Labor Federation (*der Deutsche Gewerkschaftsbund*, or DGB). They also founded the Social Committees of Christian Democratic Workers, a semi-autonomous CDU affiliate dedicated to the defense of workers’ interests in the CDU and defense of the influence of Christian trade unionists in the DGB. Largely neglected by scholars, the Social Committees became a highly influential network of activists and a policy think tank; they will be the primary focus of this book.<sup>6</sup>

Social Democrats still comprised a majority of trade unionists after 1945, but as a result of the strategy of the Social Committees, almost two million of the six million DGB members in the 1950s and ’60s voted consistently for the CDU. Blue-collar workers and their dependents comprised about one-third of CDU voters, and if one considers white-collar workers and former workers drawing pensions, a majority of CDU voters came from the working class.<sup>7</sup> The political scientist Wolfgang Hirsch-Weber argued already in 1959 that this overlap between the bases of support for the CDU and DGB represented the most important difference between the political systems of the Weimar and Federal Republics. In the 1920s party leaders had powerful incentives for confrontation tactics. The SPD lost support to the Communists whenever it compromised with the non-socialist parties, while each non-socialist party faced a militant competitor to its right that siphoned away middle-class supporters if it compromised with the SPD. The non-socialist parties sought blue-collar votes, but only among workers who were non-unionized or belonged to the Christian or small liberal unions; old rivalries between the labor federations therefore insulated those parties from losses among workers if they clashed with the SPD. In the 1950s, Hirsch-Weber argued, the mostly Social Democratic leaders of the DGB and mostly bourgeois leaders of the CDU both knew that their success depended largely on the support of workers whose loyalties were divided between them. Leaders on both sides therefore had a powerful incentive

<sup>6</sup> The only detailed study is the unpublished dissertation by Herlind Gundelach, “Die Sozialausschüsse zwischen CDU und DGB. Selbstverständnis und Rolle 1949–1966,” phil. diss. (Bonn, 1983).

<sup>7</sup> An EMNID poll in November 1953 showed that 43 percent of the DGB’s six million members supported the SPD, 24 percent the CDU, 6 percent the FDP, and 1 percent the KPD, while 26 percent remained undecided or backed a splinter party (DGB Archiv/NL Werner Hansen/24). In that year’s Bundestag election the CDU gained 35 percent of all blue-collar votes (vs. 48 percent for the SPD) and 49 percent of the votes of white-collar workers and civil servants (vs. 27 percent for the SPD); see Frank Bösch, *Die Adenauer-CDU. Gründung, Aufstieg und Krise einer Erfolgspartei, 1945–1969* (Stuttgart, 2001), p. 157.

to seek consensus. For Hirsch-Weber this was the most important reason why confrontation tactics gave way to a conception of politics as the art of compromise.<sup>8</sup>

Hirsch-Weber's thesis has provoked skepticism among historians, because he relied largely on deductive reasoning. He could point to some famous bargains in the early 1950s between Chancellor Konrad Adenauer and the first DGB chair, Hans Böckler. From 1953 onward, however, Adenauer denounced the DGB as a tool of the Social Democratic opposition, and his successor Ludwig Erhard displayed an even more hostile attitude. At the summit, communication between the CDU-led government and organized labor broke down after 1953, so Hirsch-Weber's argument would only be persuasive if it could be shown that an influential corps of trade unionists in the CDU continued to explain and defend the core demands of the DGB, while a significant corps of Christian Democrats in the trade unions continued to push for compromise with the government. The initial findings by historians who have investigated that issue are bleak. The influential study of the “Adenauer CDU” by Frank Bösch concludes that, while veterans of the Christian trade unions played a major role in founding the party, it soon became dependent on financial contributions from big business. The CDU did not develop into a membership party like the SPD but relied instead on business lobbyists, scientific opinion polls, and advertising firms to conduct its election campaigns. Bösch dismisses the influence of the CDU workers' wing in the 1950s and '60s as insignificant. Maria Mitchell's recent study of the party's first years sheds additional light on the strategy of CDU leaders in overrepresenting their Protestant minority in leadership posts to seek confessional balance. The vast majority of Protestants willing to support the new party came from the middle or upper-middle class, and Mitchell supports Bösch by depicting the mostly Catholic CDU labor activists as defeated on all fronts in 1949 by the champions of free-market economics led by the Protestant neoliberal economist Ludwig Erhard. Finally, in the most thorough study available of the role of Catholic labor activists in the 1950s, Wolfgang Schroeder has shown that old personal rivalries erupted into bitter feuds in the 1950s between those who devoted themselves to political careers in the CDU, those loyal primarily to the Church, and those who served as labor organizers in the DGB. Schroeder concludes that the decision by several influential bishops to promote the revival of separate “Christian” trade unions in 1955 discredited the Catholic hierarchy among workers and

<sup>8</sup> Wolfgang Hirsch-Weber, *Gewerkschaften in der Politik. Von der Massenstreikdebatte zum Kampf um das Mitbestimmungsrecht* (Cologne, 1959).

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virtually eliminated Christian Democratic influence in the DGB.<sup>9</sup> The arguments of Schroeder, Bösch, and Mitchell have weakened scholarly interest in the political role of Christian Democratic workers.

This book argues that these scholars have greatly underestimated the influence of trade unionists in the CDU and of Christian Democrats in the DGB. Chapters 3 and 4 will show that Christian Democratic workers did keep channels of communication open between the CDU and DGB and promoted compromise during the most polarizing debates of the 1950s. Every West German cabinet from 1949 to 1969 included at least two, and more often three, members of the Social Committees. The labor minister always came from their ranks, as did the first two ministers in charge of promoting German reunification, Jakob Kaiser and Ernst Lemmer; the first minister of defense, Theodor Blank; and housing minister Paul Lücke. Blank played a crucial role in promoting consensus over rearmament, and the former Christian trade unionist Karl Arnold exerted great influence as prime minister of Germany’s most populous state, North Rhine-Westphalia. Even during their worst feuds, moreover, the leaders of the Social Committees and Catholic workers’ clubs cooperated effectively in the Workers’ Group of the CDU Bundestag delegation, which included thirty to sixty members throughout the 1950s and ’60s and exerted great influence on social legislation.

A gifted tactician rose to lead the Social Committees in the 1960s, Hans Katzer, who ended their feud with the Catholic workers’ clubs. Katzer forged a unified workers’ wing of the CDU for the first time. As we shall see in Chapters 5 and 6, the Social Committees then promoted a constructive and forward-looking response by the CDU to the renunciation of Marxism by the SPD in its Godesberg Program of 1959, and the renunciation of anti-socialism by the Catholic hierarchy at the Second Vatican Council. The Social Committees became frustrated in the early 1960s, because the CDU’s coalition partner, the Free Democratic Party, blocked all progress in social legislation. Therefore, they took the lead in advocating a Great Coalition between the CDU and SPD, and they sought to make the SPD respectable in the eyes of practicing Catholics. Hirsch-Weber could not know this when he wrote, but Christian Democratic labor activists achieved their greatest success at promoting the politics of compromise in the 1960s. Katzer served as labor minister in the Great Coalition cabinet of 1966–1969, and the Social Committees

<sup>9</sup> Bösch, *Adenauer-CDU*, pp. 195–235, 286–296; Maria Mitchell, *The Origins of Christian Democracy: Politics and Confession in Modern Germany* (Ann Arbor, 2012), esp. pp. 152–163; Wolfgang Schroeder, *Katholizismus und Einheitsgewerkschaft. Der Streit um den DGB und der Niedergang des Sozialkatholizismus in der Bundesrepublik bis 1960* (Bonn, 1992), pp. 403–411.



contributed to the smooth transition from Christian Democratic to Social Democratic political leadership in the 1970s. This transition demonstrated that parliamentary democracy rested on solid foundations. Even while in opposition to the SPD-led government of Helmut Schmidt, moreover, the Social Committees helped to achieve the last major legislative success for the advocates of worker participation in management, the Co-Determination Law of 1976.

This book will present substantial documentary evidence in support of Hirsch-Weber’s thesis about the stabilization of democracy in the Federal Republic. Based on the personal papers of thirty Christian Democratic laborites, the archival records of the Social Committees, Catholic workers’ clubs, CDU, and DGB, and the published minutes of trade union and CDU leadership conferences, it will reconstruct the activities and influence of Christian Democratic labor activists over a turbulent six decades. “To build a bridge between East and West” served as the guiding metaphor of Jakob Kaiser’s speeches in 1946/1947, when he led the CDU in the Soviet Occupation Zone. “The bridge builders” (*Brückenbauer*) then became a term of ridicule after the Soviets suppressed civil liberties, and Kaiser appeared naive. Nevertheless, the metaphor remains apt to describe the role of Christian Democratic workers as they mediated between organized labor and the conservative politicians who dominated the federal government. After 1966 the need for bridge builders diminished as the SPD became respectable. The last veterans of the old Christian trade unions who served as DGB functionaries retired in the early 1970s, and while the Social Committees could recruit younger colleagues to become active in the CDU, few chose careers as labor organizers. Ambitious young workers now enjoyed access to higher education and many career opportunities outside the trade unions. The very successes of Christian Democratic workers undermined their influence.

Readers should be warned that a bewildering variety of church-affiliated, party-affiliated, and autonomous organizations claimed to speak on behalf of Christian workers after 1945. DGB leaders objected with good reason to the practice among Catholic priests and CDU politicians of referring to “Christian workers” as a dissident minority in the unified trade unions, because many Social Democrats were churchgoing Protestants, and at least a few, practicing Catholics. Around 1960, as we shall see, a consensus emerged that minority rights in the DGB should be defined on the basis of party affiliation, not religious outlook, and the last two chapters of this book will refer to the dissident minority as “Christian Democratic workers.” In the 1950s, however, many of the dissidents backed splinter parties or no political

Cambridge University Press

978-1-108-42411-0 — Christian Democratic Workers and the Forging of German Democracy, 1920–1980

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Excerpt

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party, so this book will refer to them in Chapters 2–4 as “Christian social workers” (with a lowercase “s” to distinguish them from members of the Bavarian Christian Social Union), meaning all workers who criticized the program and practices of the SPD and DGB on the basis of Catholic social theory or Protestant social ethics.