



# German unions and business: what the crisis is about and how to solve it

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The general idea:

- crisis as a decision situation
  - actor's definitions of crisis
  - the social construction of crisis
- How did actors try to strategically use the crisis by framing it according to their interests?



# Sample

Number of press releases containing “crisis” (organization/year)

	2008	2009	2010	2011	2012	2013
IG BAU	3	18	10	5	6	4
IG Metall	8	42	16	14	9	1
DGB	28	100	73	47	46	26
Gesamt metall	7	18	24	20	11	4
HDB	6	16	9	2	5	-
BDA	3	30	20	5	7	10



How did actors try to strategically use the crisis by framing it according to their interests?

Coding according to:

- signficatory framing of the crisis
- diagnostic framing of the crisis
- prognostic framing of the crisis



# Findings: signficatory framing

- Both sector trade unions and the construction sector business organization downplayed the crisis: two tried to boost their position in wage conflicts (trade unions) and to reestablish the significance of the industry
- Gesamtmetall was cautious-pessimistic throughout the time span
- The DGB was very ambitious about the crisis, but: in 2011 the tide had changed and the crisis is not a chance for change anymore, but a vehicle for neoliberal policies
- The BDA was upholding the demand for increased retirement age despite the threat of unemployment – from late 2011 the crisis was externalized as not being a German problem (neo-liberal reforms in Germany were right, others have to do the same)



# Findings: diagnostic framing

- For the IG BAU the causes of the crisis clearly were 25 years of market radicalism and shifting towards shareholder value based capitalism (IG BAU 2009-35) - later austerity measures were themselves fueling the crisis (IG BAU 2012-57)
- Construction business was appreciating state interventions and pointing at their strength in building “real values” – but not caring about Europe (domestic industry)
- fundamental differences in the metal sector: the IG Metall emphasized until 2013 that the crisis was not caused by European workers – whereas Gesamtmetall only in 2011 started to really name causes: the “misguided fiscal policy” of the “crisis countries”
- The BDA from late 2011 was externalizing the crisis as not being a German problem (neo-liberal reforms in Germany were right, others have to do the same) – the DGB was still insisting on bankers having caused the crisis but solidarity notes became more and more defensive



# Findings: prognostic framing

- Both construction sector organizations want to see more (domestic) investment in “real values” as solution to the crisis
- The strong IG Metall was advocating further change of the national economy (more state intervention) and later deeper European integration as solution to the debt crises
- For Gesamtmetall lower wages and more flexibilization and not state intervention were good solutions – but they agreed to the German STW scheme (internal instead of external labour market flexibility)
- The DGB clearly tried to use the crisis as a critical juncture and it also tried to Europeanize the search for solutions very early: instead of competition, wage decreases in the crisis countries, and austerity - a Marshall-Plan would have overcome the crisis
- The second growth package 2009 included a debt brake and thus reflects the BDA's prognostic framing: some initial state intervention at the peak of the crisis may have been inevitable, but the best solution to the crisis is tight budgets and lower taxes



# Conclusion

- Differences in crisis framing
  - between actors and level of organization
  - between capital and labour
  - supposedly between varieties of capitalism
- The crisis was an opportunity to intensify the conflict on the European project's future shape rather than a sign of defeat. Furthermore, the actors also tried to use the crisis in the conflict on the national models of capitalism. However, in the German case, not much has happened – which shows not least in this chapter's analysis of the externalization of the crisis as a crisis of the others.



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