

***European Integration and Trade Unions:  
the Role of Interest Groups in Policy-Making of European Integration  
and its Impact on National Welfare States***

**Hitoshi Suzuki** (Ph.D.)

Keio Jean Monnet Centre for EU Studies

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Lecturer, Faculty of International Studies and Regional Development

University of Niigata Prefecture (Niigata, Japan)

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**Abstract**

This paper focuses on the role played by interest groups, especially trade unions, in the process of policy-making of European integration since the Schuman Plan. While the European Constitution was vetoed in France and the Netherlands in 2005 due to fears against unemployment, efforts have been made at the European level in order to solve or prevent such social problems by trade union representation in the High Authority of the European Coal and Steel Community (ECSC) and the European Commission of the EC/EU. The Schuman Plan and the ECSC played an indispensable role in setting up formal decision-making processes and informal lobbying procedures for trade unions to influence social related policies. Such direct participation of the unions eased workers' fears that European integration would become a cartel of industry owners and assured them that it would improve workers' income and living standards. This could be called as a “post-war settlement at the European level”, a reconciliation between workers, industry and decision-making bodies responsible for social issues. The settlement secured unions' support for policies of economic growth under European integration. The Schuman Plan became a starting point of the settlement, helping to reconstruct national welfare states on one hand and securing the successful launch of the new European institution on the other. Whether the EU still functions as the same “settlement” of the 1950s is, however, put into question today.

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## **Introduction**<sup>1</sup>

Whether European integration could prevent or solve social problems, especially unemployment, has been one of the most central debates since the Schuman Plan. Is unemployment caused by European integration? How could the EU prevent or solve unemployment? Should the EU be responsible for solving it, or should national governments? Debates heated up when economic crisis occurred or further European integration was put into question, or even both. This was typically the case when the French and Dutch voters vetoed the European Constitution in 2005. Based on research of public opinion, the European Commission concluded that the Constitution was vetoed due to fears of further unemployment.<sup>2</sup> The Lisbon strategy of the EU, which was launched in 2000 and was planned to both minimise unemployment and maximise competitiveness of European countries,<sup>3</sup> received citizens' critics for not achieving its goals. Academics agree that the Lisbon strategy has not reached its goals.<sup>4</sup> While citizens are not satisfied with EU's efforts to reduce unemployment, their expectations for the EU to play a more decisive role have increased steadily. It is ironical that increased expectations ended in further disappointments.

Has European integration been powerless in social issues?<sup>5</sup> It is true that the social

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<sup>1</sup> This paper is a revised version of an article presented at the International Symposium of the IPSA RC-3 (European Unification), *European Integration between the Past and the Present*, 6 September 2008, Hokkaido University, Sapporo, Japan, with the title, "Overcoming "National" Narratives of Welfare States: the Schuman Plan as a European-wide "Post-war Settlement" for Trade Union Participation and Economic Growth.." Many thanks to Ken Endo and Kazuto Suzuki, hosts of the Symposium, and all the participants of the Symposium in Sapporo for their helpful comments.

<sup>2</sup> *Standard Eurobarometer (Fieldwork: October – November 2005; Publication: December 2005)*, No.64, Autumn 2005, pp.15-19. One must note that whether unemployment is solely the result of EU's policies or not is not certain.

<sup>3</sup> European Council, Lisbon, 2000.

<sup>4</sup> Kenneth Armstrong, Iain Begg, Jonathan Zeitlin, "JCMS Symposium: EU Governance after Lisbon", *Journal of Common Market Studies*, Vol.46, No.2, March 2008; Gilles Raveaud, "The European Employment Strategy", *Journal of Common Market Studies*, Vol.45, No.2, June 2007.

<sup>5</sup> Some works have looked into the development of the European Works Council, an example of

policy of the EU has a small financial basis,<sup>6</sup> and that the mainstream policies of the EU have taken neo-liberal lines. This fact does not, however, provide the full picture of how European integration since the Schuman Plan has contributed to social progress of European countries after the end of the Second World War. Why and how has welfare of European countries so rapidly been improved in the post-war era and steadily sustained, although with some exceptions, up to present? One of the reasons of this success was due to workers,' or trade unions,' hesitating but continuous support for European integration ever since the Schuman Plan.<sup>7</sup> Workers' income improved most rapidly in the 1950s, a leap which never took place before the end of the Second World War. This raised the purchasing power of workers in European countries and became one of the engines for further intra-European trade and economic growth. This theory of growth being proposed by the Schuman Plan, phrased as "improving the living standards of workers",<sup>8</sup> the trade unions of the six countries,<sup>9</sup> except for the communist unions, supported European integration and continued to cooperate up to present.

It is not easy for one to describe, however, the role of the Schuman Plan in social issues. The social policy of the ECSC did exist,<sup>10</sup> but was not the size of national welfare policies, especially in terms of budget scale and its impact on every day life of workers. One would have to view the social aspects of the Schuman Plan and the ECSC

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workers' social rights realised at the European level. See for example, Wolfgang Lecher, Hans-Wolfgang Platzer, Stefan Rüb, Klaus-Peter Weiner, *European Works Councils: Negotiated Europeanisation*, Ashgate, Aldershot, 2002; Wolfgang Lecher, Bernhard Nagel, Hans-Wolfgang Platzer, *The Establishment of European Works Councils: from Information Committee to Social Actor*, Ashgate, Aldershot, 1999; Wolfgang Streeck, "Industrial citizenship under regime competition: the case of the European Works Councils'," *Journal of European Public Policy*, 1997. For wider perspectives about European social citizenship see, Colin Crouch, Klaus Eder, Damian Tambini (eds), *Citizenship, Markets, and the State*, Oxford University Press, Oxford, 2001; Gary Marks, Fritz Scharpf, Phillippe C. Schmitter, Wolfgang Streeck (eds), *Governance in the European Union*, Sage, London, 1998.

<sup>6</sup> Stephan Leibfried, Paul Pierson, "Social Policy", in Helen Wallace, William Wallace (eds), *Policy-Making of the European Union*, 4th Edition, Oxford University Press, Oxford / New York, 2000.

<sup>7</sup> Hitoshi Suzuki, *Digging for European Unity: the Role Played by the Trade Unions in the Schuman Plan and the European Coal and Steel Community from a German Perspective 1950-1955*, Ph.D. Thesis, Department of History and Civilization, European University Institute, Florence, December 2007.

<sup>8</sup> "Declaration of 9 May 1950" in Pascal Fontaine, *Jean Monnet, a grand design for Europe*, Office for Official Publications of the European Communities, Luxembourg, 1988, p.44.

<sup>9</sup> The six Member States of the ECSC were France, Germany, Italy, the Netherlands, Belgium and Luxembourg.

<sup>10</sup> Lise Rye Svartvatn, "In Quest of Time, Protection and Approval: France and the Claims for Social Harmonization in the European Economic Community, 1955-56," *Journal of European Integration History*, Vol.8, No.1, 2002, pp.85-102; Lorenzo Mechi, "L'action de la Haute Autorité de la CECA dans la construction de maisons ouvrières," *Journal of European Integration History*, Vol.6, No.1, 2000, pp.63-90.

from a broader view. I aim to focus on the social perspectives which were embedded into core economic policies of the ECSC, especially the coal cartel policy and the debate of labour productivity. The trade unions of the six countries pressured Jean Monnet, Delegates of national governments and industry in order to represent workers' interests in these policy fields. The unions were successful in their lobbying, and therefore workers' fears and anxiety against the Schuman Plan was considerably eased. Workers' peaceful cooperation helped to stabilise and sustain the economic boom. This was the case in the Federal Republic of Germany (Germany), and therefore this paper will mainly focus on the German trade unions. The German trade unions, represented by the German Federation of Trade Unions (DGB), was the largest trade union Federation in the six countries<sup>11</sup> and was therefore one of the most influential unions who participated the Paris negotiations.<sup>12</sup> Furthermore, Germany itself was indispensable for the success of the Schuman Plan because of her economic and industrial potential, especially the coal resource of the Ruhr. Coal from the Ruhr was indispensable, not only for Germany but for all six countries in order to reconstruct its national economies.<sup>13</sup> Coal was still a major energy resource in the 1950s.

If the Schuman Plan played a crucial role in post-war reconstruction of national welfare states, what was the Schuman Plan and how have historians and political scientists viewed it? The Schuman Plan was a proposal announced on 9 May 1950 by the French Foreign Minister Robert Schuman.<sup>14</sup> The Plan proposed that coal and steel of France and Germany (and other European countries, in cases they wished to join) should be pooled at the European level. A supra-national institution, later on the High Authority of the ECSC, would be in charge of the policies of both industries, once the national governments had given away their national sovereignty. Historians such as Alan Milward have interpreted the Schuman Plan as a European rescue of nation states, stating that the former was necessary for the latter to reconstruct itself after the Second World War.<sup>15</sup> Milward concluded that national governments gave away its sovereignty *because* they had to reconstruct and sustain its national economy, and that European integration has advanced as far as it agreed with national interests of its Member

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<sup>11</sup> At the point of 1950, the German DGB had around 5,181,000 members, the Italian CISL with 1,600,000 members, the French FO with 1,200,000 members, and the three Benelux countries with far modest numbers.

<sup>12</sup> For the role played by the German trade unions and the European wide network which the trade union of the six countries constructed, see Suzuki, *Digging for European Unity*, 2007.

<sup>13</sup> Alan Milward, *The Reconstruction of Western Europe, 1945-51*, Methuen, London, 1984.

<sup>14</sup> Dirk Spierenburg, Raymond Poidevin, *The History of the High Authority of the European Coal and Steel Community*, Weidenfeld & Nicolson, London, 1994; Klaus Schwabe (Hrsg.), *Die Anfänge des Schuman-Plans 1950/51*, Nomos, Baden, 1988.

<sup>15</sup> Alan Milward, *The European Rescue of the Nation-State (2.ed)*, Routledge, London, 2000.

States.<sup>16</sup> Although many critics rouse against Milward's hypothesis, his conclusions were basically accepted by historians. Historians carried out detailed and in-depth analysis of various national interests and interests of industry, and have developed historiography of European integration since the 1980s.<sup>17</sup>

There is, however, a crucial lacuna in the above mentioned literature. If the Schuman Plan played a crucial role in reconstructing nation states, how much impact did it have on one of the most dramatic development in the post-war era: the reconstruction and strengthening of national welfare states? How did it contribute to build and sustain welfare states and social related policies? While the mainstream literature focused on European institutions, national governments and industry, one crucial participant has been almost totally absent: the workers, or trade unions, of the six countries.<sup>18</sup> The lack of literature on trade unions seems to result in the lacuna of explaining the impact of the Schuman Plan on reconstructing national welfare states.

To put the conclusion of this paper short, the Schuman Plan and the ECSC both functioned as an agreement between the ECSC institutions, the Member State governments, the trade unions and, to a lesser extent, industry owners. The Schuman Plan ensured direct participation of union leaders in negotiations and decision-making processes at the European level, hence enabling post-war reconstruction of the six countries. In other words, the Schuman Plan was a European-wide "post-war settlement" in order to appease the trade unions and make them cooperate for economic growth. In exchange to agreeing with the policies and methods of economic growth, the

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<sup>16</sup> Milward was, although being the first case, not the only one who focused on national interests that drove European integration forward. Historians other than Milward have confirmed the fact that the Schuman Plan proposal and its negotiations were based on national interests of the participating countries. See for examples, Wilfried Loth (ed.), *Crises and Compromises: the European Project 1963-1969*, Nomos Verlag, Baden-Baden, 2001; Anne Deighton, Alan S. Milward (eds), *Widening, Deepening and Acceleration: the European Economic Community 1957-1963*, Nomos, Baden-Baden, 1999.

<sup>17</sup> Research of European integration history has been developed since the 1980s, in which the launch of the European Union Liaison Committee of Historians and its journal, *Journal of European Integration History*, have played a decisive role.

<sup>18</sup> For some exceptions which focused on trade unions see, Werner Bühner, "Les syndicats ouest-allemands et le Plan Schuman," in Andreas Wilkens (eds), *Le Plan Schuman dans l'Histoire: Intérêts nationaux et projet européen*, Établissements Émile Bruylant, Brussels, 2004; Wilfried Loth, "The World Federation of Trade Unions (WFTU) and the International Confederation of Free Trade Unions (ICFTU)" in, Walter Lipgens, Wilfried Loth (eds), *Documents on the History of European Integration, vol.4, Transnational Organisations of Political Parties and Pressure Groups in the Struggle for European Union, 1945-1950*, Walter de Gruyter, Berlin / New York, 1991; Ernst B. Haas, *The Uniting of Europe*, Stevens & Sons, London, 1958. For current issues of trade unions and wage bargaining see also, John Driffill, "The Centralization of Wage Bargaining Revisited", *Journal of Common Market Studies*, Vol.44, No.4, November 2006; Andreas Bieler, "Integration and the Transnational Restructuring of Social Relations", *Journal of Common Market Studies*, Vol.43, No.3, September 2005.

unions of the six countries were promised direct participation in the decision-making processes of the most sensible issues concerning coal and steel industry: those were trade, investment, rationalisation, productivity, housing of workers and other social policies, all which affected workers living and working standards. Participation in the ECSC institutions provided the unions with crucial information of the two industry sectors, more than they had ever obtained before in national wage bargaining.<sup>19</sup> This helped the trade unions, especially in the case of the German unions, to strengthen their bargaining power in domestic wage bargaining.<sup>20</sup> The unions, especially its leaders, firmly supported the ECSC and the following developments of European integration up to present. As a result of their reinforced influence, resulting in workers gaining higher wages, the unions did not frequently strike or demonstrate against the Schuman Plan and the ECSC but cooperated instead for running the coal and steel industry in peaceful manner. This was an indispensable aspect of the Schuman Plan and the ECSC enabling post-war economic boom and the reconstruction of nation states.

After defining the term “post-war settlement” in the next section, we will look into the Schuman Plan and the idea of German trade unionism of *Mitbestimmung* (co-determination), meaning trade union participation, and will see how and why the trade unions supported the Schuman Plan. In the second section we will look into the Paris negotiations and the ratification debates of the Paris Treaty and see what role the trade unions played in the debates. The third section will focus on the decision-making process of the ECSC, mainly the High Authority and the Consultative Committee, and will analyse the impact of trade union participation on the policy of coal cartel dismantlement and policies of improving productivity. Finally, we will come back to the hypothesis that the Schuman Plan was a post-war settlement at the European level in the conclusion section.

### **1. The Schuman Plan: an invitation for trade union participation**

Before looking into the details of the Schuman Plan and its negotiations, one must define what the “post-war settlement” was. The term of post-war settlement first appeared in Charles Maier’s article of 1977 when he analysed the policies of productivity in post-war America, German, Japan and other Western European countries.<sup>21</sup> He explained how and why American officials in Washington pursued

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<sup>19</sup> Conversation between Walter Freitag and Hans Brümmer, DGB-Archiv, Best.24.1, 72, 9.11.1952; DGB-Archiv, Best.24.1, 60, 29./31.1.1951.

<sup>20</sup> Suzuki, *Digging for European Unity*, 2007, pp.226-228.

<sup>21</sup> Charles Maier, “The politics of productivity: foundations of American international economic policy after World War II,” *International Organization*, Vol.31, No.4, autumn 1977, pp.607-633.

policies of productivity in the immediate post-war period, which functioned in the United States, Western Europe and Japan as a political agreement for economic growth. A crucial aspect of the settlement was that workers, mostly organised under trade unions, would halt class struggles against industry owners and would, in exchange to obtaining higher wages, cooperate peacefully to improve labour productivity. In other words, the post-war settlement was a consensus, or reconciliation, between labour, national government and business, aiming for post-war reconstruction of capitalist economy and national welfare state.<sup>22</sup>

The settlement in post-war Germany was agreed between the German government, business and labour, and also functioned as reconciliation between Konrad Adenauer's conservative coalition and the Social Democrats, both the political party (SPD) and the trade unions. The post-war German economy has been described as social market economy, a system which combined free market economy and national welfare policies. According to Esping-Andersen's categorising of welfare states,<sup>23</sup> the German welfare state is defined as a conservative model: welfare services have been provided by both national welfare schemes and one's household. The German welfare state kept a conservative, or Christian Democratic, view of emphasising the role of family in welfare issues, though also provided generous national pensions, unemployment insurance and other financial coverage. These national schemes were realised under strong presence and pressure of the Social Democrats, especially the trade unions. How were the German trade unions able to influence the conservative cabinet, when the SPD was out of the coalition?

The German trade unions, led by the DGB, were not only the largest Federation in the six European countries. It was also efficient in integrating its member workers under a single slogan: the idea of co-determination. The German unions abandoned Marxist claims in early periods of the twentieth century and shifted to accept capitalist economy, though trying by all means to ease workers' sacrifices. The idea of co-determination, defined by a trade union academic Fritz Naphtali in 1928,<sup>24</sup> aimed to keep watch on national government and industry owners in economic and social issues so that workers' living and working standards be improved. They aimed to participate in

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<sup>22</sup> Christopher Pierson, *Beyond the Welfare State?*, Basil Blackwell, Oxford, 1991; Gøsta Esping-Andersen, *The Three World of Welfare Capitalism*, Princeton University Press, Princeton, 1990; Robert Boyer, *La flexibilité du travail en Europe*, Editions La Découverte, Paris, 1986.

<sup>23</sup> Esping-Andersen, *Three World of Welfare Capitalism*, 1990. He categories welfare states in three: conservative model, social democratic model and liberal model.

<sup>24</sup> (Hrsg.) im Auftrag des Allgemeinen Deutschen Gewerkschaftsbundes von Fritz Naphtali, *Wirtschaftsdemokratie –Ihr Wesen, Weg und Ziel*, Verlagsgesellschaft des Allgemeinen Deutschen Gewerkschaftsbundes, Berlin, 1928.

decision-making processes at two levels: in management boards of industry and in national government. The former concerned wages and other working standards, and the latter concerned industrial policy, economic policy and its planning. By participating and influencing, the German unions aimed to ease the crude circumstances and sacrifices of workers under capitalist economy.<sup>25</sup> The Weimar Republic, however, collapsed by the rise of Hitler, and trade unionism was forbidden in 1933. The unions lost their chances of enforcing co-determination and had to wait until the Second World War ended.

In the post-war period, Germany was divided into four occupation zones, each governed by the United States, France, Britain and the Soviet Union. Except for the Eastern zone, German trade unions were reconstructed in the three Western Zones. The Marshall Plan, proposed in 1947, was a crucial moment when German trade unions clearly stated that they would reject communist economy and would stay firmly with capitalist economy. While the SPD under Kurt Schumacher opposed the Marshall Plan as being “too much capitalistic,”<sup>26</sup> the German trade unions led by Hans Böckler opposed the SPD and supported the Plan with the aim to attract American investment to German industry and to revive German economy.<sup>27</sup> His aim was not achieved, due to several reasons: Germany was still under occupation, the Allies restricted German industry, and the Allied *démontage* policy hindered German economy because equipments of German industries were taken apart and shipped away to the Allied countries. This ended up in further decline of German economy.<sup>28</sup> It was only after the Schuman Plan was announced and after German diplomacy “was permitted” to act on its own that the German economy finally revived.<sup>29</sup>

Although not realising post-war economic reconstruction, the Marshall Plan was an important test case which showed that German unions would cooperate peacefully for capitalist economy and would keep away from communists. The only condition for such cooperation was that equal righted co-determination (*paritätische Mitbestimmung*) be

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<sup>25</sup> For the idea of co-determination and its history, see Bo Stråth, *The Organisation of Labour Markets: Modernity, Culture and Governance in Germany, Sweden, Britain and Japan*, Routledge, London, 1996.

<sup>26</sup> Willi Arbrecht (Hrsg.), *Kurt Schumacher, Rede – Schriften – Korrespondenzen 1945-1952*, Verlag J.H.W. Dietz Nachf., Berlin / Bonn, 1985.

<sup>27</sup> Karl Lauschke, *Hans Böckler : Gewerkschaftlicher Neubeginn 1945-1951*, Bund-Verlag, Frankfurt am Main, 2005.

<sup>28</sup> Letter from the Executive Council of the AFL to American President Harry Truman, 24 November 1947, OF 198, Harry S. Truman Library; Letter from Walter P. Reuther to US President Harry Truman, 10 May 1949, OF 295, Harry S. Truman Library; PA, BD I 294 A, Änderungsantrag der Fraktion der SPD, Umdruck Nr.407, Bonn, 8. Januar 1952.

<sup>29</sup> Thanks to the fact that Adenauer agreed to sign the Paris Treaty of 1951, the Allies authorised Adenauer to launch the German Foreign Minister in March 1951.

realised immediately in German industry and national economic planning.<sup>30</sup> Germany once more stood as a nation state in September 1949, and negotiations for easing Allied restriction on German industry was under negotiation. The German unions insisted on co-determination being embedded into the post-war institutions, and claimed that they must be represented in the negotiations.

While the Americans and British were positive on giving the Germans their sovereignty back, it was the French who insisted on restricting German sovereignty. Based on French proposal, the International Ruhr Authority was launched in 1949 and was expected to solve the so-called Ruhr problem: France and other Western countries having access to coal resources of the Ruhr, so that these countries could reconstruct their national economy. Based on French claims, the Ruhr Authority was to exclude the Germans out of the negotiations where plans of production and export of German coal resource were decided. The Ruhr Authority turned out a failure shortly after its launch, because it did not treat the Germans equally and therefore the Germans (the government, industry and workers) did not cooperate. Moreover, its coal policy was far from rational.<sup>31</sup> The Schuman Plan was proposed as an alternative of the Ruhr Authority, this time ensuring the Germans equal status. This was one of the cores of Jean Monnet's strategy when he prepared the draft of the Plan, which the French Foreign Minister Robert Schuman agreed to and supported.

The Schuman Plan proposal was not only a break through in terms of offering the Germans equal status. It was also a crucial break through in terms of labour issues and trade union participation in economic planning. The Schuman Plan defined the role of the High Authority, the ECSC's decision-making organ and also its administration body, as planning and carrying out policies of coal and steel of all participating countries. The proposal stated that the persons who would be in charge of the High Authority, estimated as around 8 to 10 people, hold "equal rights" regardless of one's nationality or any other background. Monnet firstly meant that this statement assured equal status for the German Delegates,<sup>32</sup> though the trade unions understood it in a slightly different way. They understood that trade union members, once nominated by national governments as High Authority members, could participate in the decision-making process with equal rights as labour representatives, and not as powerless observers as was mostly the case for union representatives in national economic planning. Leaders of

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<sup>30</sup> Suzuki, *Digging for European Unity*, 2007, pp.95-134.

<sup>31</sup> Germany was forced to export coal with cheap prices while forced to import expensive coal. This ended up in shortage of coal in Germany which damaged the economy. Coal policy required a more rational European policy, and this was what the Schuman Plan proposed.

<sup>32</sup> Jean Monnet, *Memoirs*, Collins, London, 1978.

the DGB understood the Schuman Plan as a chance to realise co-determination at the European level.<sup>33</sup> Being joined with trade union leaders of the other European countries, the German union leaders aimed to participate in the Paris negotiations and to influence its outcomes based on trade union perspectives.

## **2. The European network of trade unions in the Paris negotiations and the ratification debates of the Paris Treaty**

The Paris negotiations took place from 20 June 1950 under the chair of Jean Monnet. Delegations sent from the six governments, mostly officials of the Foreign Ministry who were supported by specialists of economy and industry, met regularly until April 1951 when the Paris Treaty was signed. In the negotiations, Monnet's original proposal had to retreat, due to the claims raised by the national Delegates. Two issues were significant. One was about the definition of the High Authority's power, described as "supra-national" in the proposal. The Dutch opposed and proposed to settle a council of Ministers where crucial national interests could be represented.<sup>34</sup> The proposal was supported by the other Delegates who feared to give too much autonomy to the High Authority, or in other words to Jean Monnet himself.

Another crucial issue of the negotiations was the coal cartels. As mentioned before, the international distribution of coal from the Ruhr was decisive for all six countries to reconstruct. Based on American pressure,<sup>35</sup> Monnet first emphasised that the High Authority would dismantle coal cartels in order to realise economic growth. The owners of coal industry, especially Germans and Belgians, opposed such policy and suspected Monnet's *dirigisme*. The trade unions of all six countries also opposed Monnet's policy, though from very different reasons. The German, French and Belgian unions led the debate, arguing that the coal cartels functioned in protecting employment of coalminers, especially in marginal coalmines. If cartels were forbidden and free competition was suddenly introduced into the coal market, smaller coalmines would have to face rationalisation and immediate closure, ending up in the workers losing their jobs.<sup>36</sup> The German unions insisted on this point and asked help from the American Allied High Commissioner John McCloy in order to persuade Jean Monnet and Konrad

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<sup>33</sup> DGB-Archiv, Best.24.1, 529, 8.7.1954.

<sup>34</sup> Spierenburg, Poidevin, *History of the High Authority*, 1994.

<sup>35</sup> Clifford P. Hackett (ed.), *Monnet and the Americans*, Jean Monnet Council, Washington DC, 1995; Pascaline Winand, *Eisenhower, Kennedy, and the United States of Europe*, St. Martin's Press, New York, 1993.

<sup>36</sup> "Bericht der Industriegewerkschaft Bergbau an den Ausschuss für Kartelle und Zusammenschlüsse, innerhalb des 21er Ausschusses der Gewerkschaften," DGB-Archiv, Best.24.1, 91, 28.8.1954.

Adenauer.<sup>37</sup> A month before the Paris Treaty was signed, the DGB stated in March 1951 that trade unions' support for the Schuman Plan depended on the coal cartel issue, and that their support was conditional if cartels were to be dismantled.<sup>38</sup> The Paris negotiations were concluded by not giving clear definition of what the High Authority could do to tackle the coal cartels.<sup>39</sup>

During the ratification debates in the German parliament, the *Bundestag*, Adenauer needed support from the German trade unions.<sup>40</sup> His cabinet consisted of conservative parties, but it was not clear whether members from the FDP, representing the German industry owners, would agree to the CDU's ratification bill of the Paris Treaty. Dismantle of coal cartels was still referred to in the Treaty, and these clauses were objected by members of the FDP. If the *Bundestag* were to ratify the Treaty, Adenauer had to cut a portion of politicians off from the SPD and stop their veto against the CDU bill. He expected that the DGB members inside the SPD would take the risk of supporting the CDU bill. Fortunately this gamble worked, and the CDU bill barely gained enough votes on 11 January 1952 in the *Bundestag*.<sup>41</sup> In exchange to their cooperation for Adenauer, the DGB gained support from Adenauer and the CDU/CSU for their Federal law of co-determination in the coal and steel industry, the *Mitbestimmungsgesetz* of 1951.<sup>42</sup> This law gave the German unions strong power in national wage bargaining. The SPD alone did not have enough votes to pass the bill, and the German trade unions needed votes also from the CDU/CSU. Allied High Commissioner John McCloy pressured Adenauer to pass the bill, which was also a crucial factor to promulgate the law.<sup>43</sup> Ludwig Erhard, the Minister of Economy, was a believer of free economy and opposed to give the German unions too much power. McCloy was a strategically significant person for the German trade unions, both in European integration issues and domestic German politics.

The German trade unions not only used the Allied authorities in order to influence Adenauer's coalition and the Paris negotiations. They were able to directly influence the negotiations because trade union leaders became members of the national Delegations.

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<sup>37</sup> Hackett, *Monnet and the Americans*, 1995; Monnet, *Memoirs*, 1978.

<sup>38</sup> DGB-Archiv, Best. 24.1, 528, 11./12.3.1951.

<sup>39</sup> Spierenburg, Poidevin, *History of the High Authority*, 1994.

<sup>40</sup> Hans-Peter Schwarz, *Konrad Adenauer*, Berghahn Books, Oxford, 1995; Horst Thum, *Mitbestimmung in der Montanindustrie: Der Mythos vom Sieg der Gewerkschaften*, Deutsche Verlags-Anstalt, Stuttgart, 1982.

<sup>41</sup> Suzuki, *Digging for European Unity*, 2007, pp.162-174.

<sup>42</sup> Thum, *Mitbestimmung in der Montanindustrie*, 1982.

<sup>43</sup> Thomas Schwartz, *America's Germany. John J. McCloy and the Federal Republic of Germany*, Harvard University Press, Cambridge, 1991.

This was particularly the case of the DGB, who was invited by Adenauer to join and was the only trade union Federation which regularly participated in Paris.<sup>44</sup> The unions of other countries depended upon the information provided by their German colleagues.

The trade unions, however, were not dominated by the Germans. They cooperated at the European level by constructing a European network.<sup>45</sup> Cooperation had already started in 1949 when the International Ruhr Authority was launched. The trade unions of French, Belgian, Dutch and Luxembourg, joined by the Germans and supported by the Americans, launched a liaison committee called the International Trade Union Committee for the Ruhr in 1949. Their aim was to lobby the International Ruhr Authority in order to participate as trade union representatives and influence its policies. Just as the Ruhr Authority turned out a failure, the unions' Ruhr Committee also came up with little results. It was, however, a remarkably early case which showed trade unions' cooperation at international level, a time when the International Confederation of Free Trade Unions (ICFTU) was not yet launched.<sup>46</sup> The experience of the Ruhr Committee was succeeded to the unions' network of supporting the Schuman Plan.

The unions of the six countries utilised three organisations at the European level and coordinated the three as a network of trade unions. During the Paris negotiations, the unions utilised the European Regional Organisation (ERO), a regional branch of the ICFTU. Because the ERO covered all industry sectors and was not focused on coal and steel exclusively, the unions had to create a new organisation so that issues of coal and steel industry could be looked into. This was the case especially after the Paris Treaty was signed in April 1951 and ratification debates started in each country. In March 1953 the unions launched the Committee of 21, focusing only on coal and steel industry.<sup>47</sup> The Committee functioned as a pre-session of trade unions representatives participating in the Consultative Committee of the ECSC.<sup>48</sup> Now having two different trade union organisations at the European level, the unions needed a liaison secretariat in order to coordinate the activities of the ERO and the Committee of 21. They reformed the International Trade Union Committee for the Ruhr and launched the *Bureau de Liaison* in Luxembourg in October 1953.<sup>49</sup> The *Bureau* was in charge of collecting information

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<sup>44</sup> Suzuki, *Digging for European Unity*, 2007, pp.95-109.

<sup>45</sup> *Ibid*, pp.226-234.

<sup>46</sup> The ICFTU was launched in December 1949. For details see Denis MacShane, *International Labour and the Origins of the Cold War*, Clarendon Press, Oxford, 1992.

<sup>47</sup> DGB-Archiv, Best.24.1, 72, 14.4.1953, Sitzung des 21er-Ausschusses.

<sup>48</sup> Suzuki, *Digging for European Unity*, 2007, pp.228-246.

<sup>49</sup> DGB-Archiv, Best.24.1, 72, 15.12.1952, Sitzung des Fünfhnerausschusses, 15. Dezember 1952; IISH, Contact Office of Miners' and Metalworkers' Free Trade Unions in the European Communities Collection 2, Sitzung des Fünfhnerausschusses, 15. Dezember 1952.

from the High Authority, delivering it to the unions and setting the agenda of international trade union conferences where issues of the ECSC were discussed.<sup>50</sup> The German unions were the largest sponsor of both the *Bureau* and the Committee of 21, therefore enjoying the strongest influence, though not dominance, in the European network of trade unions.<sup>51</sup> The network worked in a way not only tying the unions of the six countries together but also securing trade unions' commitment to both domestic social issues and the post-war settlement at the European level.

### **3. Post-war settlement at the European level**

How did the post-war settlement function for the trade unions at the European level? At the domestic level, the settlement functioned as a compensation for trade unions' compromise with national government and industry. On one hand the unions had to admit the improvement of labour productivity in domestic debates: if the workers wanted higher wages, they had to improve labour productivity. This meant that workers should produce more by shorter working hours, which merely meant harder work, and that they would agree to rationalisation of industry. If an industry sector was in decline, workers would be laid off and would have to search for new jobs. On the other hand, the unions opposed rationalisation forced by European policies, especially the dismantling of coal cartels by the High Authority of the ECSC. Instead of immediate rationalisation, the unions requested its postponement or, if cartels would have to extinguish, at least a compensation for them provided by High Authority's policies. Only when the domestic settlement and European settlement went along together would the trade unions cooperate for both agreements in peaceful manner and would not go on frequent strikes and demonstrations.

After all six countries ratified the Paris Treaty, the six governments nominated the members of the High Authority and the Consultative Committee of the ECSC in early 1952. The nine members were as follows: two Delegates each from Germany, Italy and France (including Jean Monnet as the President), one each from Belgium, the Netherlands and Luxembourg, and the ninth member from the trade unions. The unions sent Paul Finet, the Belgian leader and also the first Chairman of the ICFTU, as the ninth member of the High Authority. The German unions were also able to send their member into the High Authority. Heinz Potthoff,<sup>52</sup> a trade union economist, was

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<sup>50</sup> Suzuki, *Digging for European Unity*, 2007, pp.226-246.

<sup>51</sup> *Ibid*, pp.236-246. On the contrary, Haas argued that the Germans dominated the Committee of 21. Haas, *Uniting of Europe*, 1958.

<sup>52</sup> Heinz Potthoff, *Vom Besatzungsstaat zur europäischen Gemeinschaft*, Verlag für Literatur und Zeitgeschehen, Hannover, 1964.

nominated by Adenauer's cabinet a week before the High Authority was launched. The High Authority was launched on 10 August 1952 in Luxembourg.

One of the first issues which the High Authority tackled was the coal cartel issue. Cartels and similar business restrictions under government ownership were forbidden by articles 65 and 66. Monnet took importance of the issue because he thought that the cartels and its restrictive business customs ended up in the economic catastrophe after 1929. According to his views, cartels were not to repeat the same mistake and hinder economic growth. Thanks to the fact that Germany signed the Paris Treaty in 1951 and ratified it in the following year, Allied restrictions on German industry were abolished one after another. The economy of the six countries took a lift-off and the economic boom was on. Still, Monnet kept an eye on the cartels, suspecting their negative impact on economic growth. The High Authority first announced its intention to look into the matter in June 1953.

In response to High Authority's move, the trade unions reacted fast. The German union of coalminers (*IG Bergbau*) prepared a technical report about the functions of coal cartels in Germany,<sup>53</sup> especially about the *Gemeinschaftsorganisation Ruhrkohle GmbH* (GEORG) which controlled nearly 90% of coal supplies in Germany. Their message was clear: cartels were necessary because it stabilised coal prices and therefore protected marginal coalmines.<sup>54</sup> Without such stabilisation, coalmines would be closed and workers would be unemployed. This might cause a leftward turn of German trade union members towards the communists,<sup>55</sup> which might have an effect on the Cold War. The claim of the German trade unions was accepted by the unions of the other six countries and became their consensus at the European level in December 1953.<sup>56</sup> The Belgian unions, led by André Renard, firmly supported the Germans. The unions' claims on cartels were taken to both the High Authority and the Consultative Committee.

While the German trade unions opposed European policies of rationalisation, they had little choice but to agree to improving labour productivity in domestic policies. This was typically the case of launching a productivity agency in Germany.<sup>57</sup> The issue was

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<sup>53</sup> "Bericht der Industriegewerkschaft Bergbau an den Ausschuss für Kartelle und Zusammenschlüsse, innerhalb des 21er Ausschusses der Gewerkschaften," DGB-Archiv, Best.24.1, 91, 28.8.1954.

<sup>54</sup> Potthoff, *Vom Besatzungsstaat zur europäischen Gemeinschaft*, 1964, pp.28-36.

<sup>55</sup> HICOG Staff Conference of 8 August 1950 and 31 October 1950, File 250/68/10/2, Extracts from HICOG Staff Conference Meetings, Office Executive Secretary, Records of the Office of the U.S. High Commissioner, Record Group 466, NARA.

<sup>56</sup> Informationsblatt (Bureau de Liaison), 17. Dezember 1953, DGB-Archiv, Best.24.1, 91, 17.12.1953.

<sup>57</sup> For detailed explanation of productivity and productivity agencies, see Anthony Carew, *Labour under the Marshall Plan: the Politics of Productivity and the Marketing of Management Science*,

discussed between American Allied authority, the German government and German industry in 1951 and 1952. As usual, the unions were at first not invited to the discussion. The German Productivity Agency was to be in charge of advising both German government and industry of necessary methods and advices of improving labour productivity.

The German unions were informed not by the German government but by the Americans: Michael Saul Harris, the Head of the ECA Mission in Germany,<sup>58</sup> invited the DGB leaders to participate in the debates in January 1952. The DGB leaders showed hesitation to the sudden invitation.<sup>59</sup> There were two reasons. Firstly, the German unions were cautious against the methods and ideas of improving productivity.<sup>60</sup> They wished to concentrate on co-determination rather than American ideas of productivity. Moreover, information from the American unions told that productivity methods involved intensive watch, education and punishment of workers who were not able to improve their productivity. Secondly, the DGB leaders suspected the intentions of both the American Allied authority and the German government. The sudden invitation appeared as a trap for the German unions. Once the union leaders participated the debates, it would give an outlook that they accepted the idea of productivity without the approval of their member workers. The DGB leaders would be seriously criticised by the workers and, in the worse case, might have to resign from their leading positions.

After discussion among its leaders, the DGB accepted to launch the Productivity Committee in January 1952. They were still reluctant to agree, though they had few alternatives. If the German unions refused participation in such debates, the German government and industry would move forward without taking trade union perspectives into account, and the German workers would be forced to obey to productivity methods without having any chance to voice themselves against it. Absence from the debates was out of question, and the unions simply had to participate. Still, there was hope for the German unions. Participating in such debates and influencing it did agree with the idea of co-determination, because workers' working standards would be negotiated under trade unions' presence and pressure.<sup>61</sup>

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Manchester University Press, Manchester, 1987. For the German case see, Michael Fichter, "HICOG and the Unions in West Germany," in, Jeffrey M. Diefendorf, Alex Frohn, Hermann-Josef Rupieper (eds), *American Policy and the Reconstruction of West Germany, 1945-1955*, German Historical Institute, Washington DC, 1993.

<sup>58</sup> The ECA Mission was in charge of allocating financial aids of the Marshall Plan in Germany.

<sup>59</sup> DGB-Archiv, Best.24.1, 439, 21./22.4.1952, Sitzung des Bundesausschusses.

<sup>60</sup> Erich Bührig, Wilhelm Gefeller and Hans Brümmer's opinion. DGB-Archiv, Best.24.1, 439, 21./22.4.1952, Sitzung des Bundesausschusses.

<sup>61</sup> Hans vom Hoff's opinion, DGB-Archiv, Best.24.1, 439, 21./22.4.1952, Sitzung des Bundesausschusses.

German federal laws of co-determination did not, however, provide the German unions with strong representation, because the co-determination law of 1951 did not give exact parity to the German unions. This was why the DGB had to rely on the European level, specifically their participation in the High Authority and the Consultative Committee.<sup>62</sup> Their setback at home had to be recovered by using the European institutions. Participation in these European institutions, in other words co-determination at the European level, gave them crucial information about the German industry. Information was the source of trade unions' influence when bargaining against the owners of industry. Trade unionism at the European level helped the DGB to strengthen their unionism at the national level. The unions had to accept rationalisation of industry in domestic policies, though achieved policies of postponing rationalisation at the European level. By both levels combined together, European countries were able to reconstruct national economies, thanks to workers' peaceful cooperation. The trade unions agreed to the burden sharing between these two levels and, though with a not full-hearted satisfaction, decided to cooperate peacefully in order to realise economic growth.

### **Conclusions**

In sum, what was agreed in the early 1950s between the trade unions, national governments, industry, and people who started to work for the ECSC in Luxembourg? What was the post-war settlement at the European level, and what were its implications? The case of trade unions shows that the unions, especially the Germans, agreed to a post-war settlement at both domestic level and at the European level under the ECSC. The settlement confirmed workers' acceptance, represented by the unions, for improving labour productivity at the national level. In exchange to this agreement, the European settlement ensured that sudden rationalisation such as dismantling coal cartels would not be carried out without consulting the trade unions. Furthermore, the European settlement provided the unions with continuous participation in decision-making processes of coal and steel at the European level: an achievement which the unions had not obtained before the end of the Second World War. Such participation provided the unions with crucial information about industry and therefore strengthened their influence. By both the domestic and European dimensions together, the settlements assured workers' peaceful cooperation for policies of economic growth. Only when the agreements at both levels being secured had European countries been able to reconstruct its national economy without facing upheaval of the workers.

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<sup>62</sup> Suzuki, *Digging for European Unity*, 2007, pp.226-246.

The post-war settlement both at the European level and national level, however, had certain limits. For the trade unions, achieving the agreement at the European level was a positive deal. Unlike the national post-war settlement, however, the European settlement did *not* lead to the realisation of a welfare state at the European level. The formal institution of welfare states still remained at the national level, and the European level merely stood as a fussy informal system with small scaled social policies. While core economic policies of trade and investment were decided at the European level, the sacrifices of workers were not taken care of enough and were left to national policies. The same structure exists today and seems even more enforced. It is possible to conclude that economic policies of the ECSC did embed social aspects into itself and respected, though in a limited manner, workers' and trade unions' interests. In fact, it *was* the Schuman Plan that not merely rescued nation states but secured Europe's economic growth and wealth, a legacy which survives today in slightly different disguise.

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