

GERMAN BUSINESSMEN AND UNION LEADERS
AND THE SCHUMAN PLAN

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The first step toward European unification, the creation of the European Coal and Steel Community, influenced and continues to influence each new step. In this paper, the author analyzes the ways in which participation in the Community has affected the attitudes of German businessmen and union leaders in the coal and steel industries. He also indicates how support for a new institution may be determined by its own influence on day-to-day activities.

IN 1950, Robert Schuman, the French Minister of Foreign Affairs, proposed that the production of coal and steel in France, Germany, and other European nations be placed under a common High Authority. In 1952, the Schuman Plan was implemented; West Germany, France, Italy, Belgium, The Netherlands, and Luxemburg joined together to form the European Coal and Steel Community (ECSC). The ECSC is a supranational institution; that is, certain areas of national sovereignty have been relinquished; it has general jurisdiction over the coal, iron, steel, and scrap industries of the member nations. The organizational structure of the Community is also noteworthy. Its executive branch, the High Authority, has relatively great power in forming policy. In addition to the High Authority, there is a Council of Ministers—consisting of one governmental representative from each nation—an Assembly—made up of delegates designated by the national parliaments—a Court, and, significantly, a Consultative Committee—consisting

of employer and union representatives from the coal and steel industries and representatives from the consumer industries.¹ In this paper the perceptions and evaluations of the ECSC by German union and business leaders in the coal and steel industries are analyzed.²

1. Changing Evaluations

Generally speaking, when the Schuman Plan was first proposed, business and union leaders accepted it. That is, they thought that Chancellor Adenauer, with the support of his government coalition, would obtain the ratification of the treaty establishing the ECSC. They also thought it was better to help draw up the treaty and thus influence its provisions than to be helplessly in opposition. There were some enthusiasts and some die-hard oppositionists among both union and business leaders, but on the whole there was more support among the businessmen than among the union leaders.

In 1956-1957, when the interviews upon which this paper is based were conducted, there had been a shift in these evaluations. The union leaders clearly had become more favorably disposed toward the ECSC than they had been.³ The shift among the businessmen is more difficult to characterize. Nearly all of the men interviewed said that they supported the ECSC. Most of them expressed irritation with many specific actions of the High Authority, and the tone of the discussion often revealed that, even if

they said that they were not disappointed, they were not enthusiastic. Many of them said that while they favored further steps toward European Union, no similar institution with a powerful High Authority should be established. Finally, some respondents said that they were more critical now than they were at the outset.⁴

2. Determinants of Evaluations

In order to explain the shifts in the evaluation of the ECSC, three determinants will be considered: (1) predispositions, (2) the influence of other persons who communicate evaluations, beliefs, and values about ECSC, and (3) direct experience with the institution.

Predispositions

The most relevant predispositions affecting evaluations are those associated with Western European Union, since the ECSC was perceived as a step toward European integration. There was and is generally more support for Western European Union among businessmen than among the union leaders. Of course, support for the idea of Western Union is widespread in Germany and none of the men interviewed expressed opposition to the idea. Yet, there are differences in commitment. For example, it is conceivable to believe that under present circumstances the attainment of both German union with Western Europe and German reunification is unlikely; therefore, it was possible to force a more definite commitment. The respondents were asked a question which required a choice between alternatives which at the time were being discussed: "If you had to choose between a West Germany united within Western Europe and a neutralized reunified Germany, which would you choose?" Most respondents found this

an uncomfortable question, because both European Union and German reunification were strongly desired objectives and yet their incompatibility under present circumstances was in varying degrees believed. Some respondents tried to deny the choices; both reunification and United Western Europe were to be achieved—either through the Adenauer policy of strength through Western Union or, as was more frequently mentioned, by more conciliatory negotiation with the Russians or by patience. Yet, most respondents were willing to express a choice. Usually, the union leaders answered simply, they would choose reunification; the business leaders tended to answer, sometimes shamefacedly, union within Western Europe.

Considering the internationalist traditions of the social democratic unions, this may appear surprising. However, it is necessary to consider how many of the union leaders perceive the actual form of European Union. The United Europe that is developing is the union of "small Europe" or the "Europe of the six." Among these six nations, Catholics are an overwhelming majority and support for Christian Democratic parties is great. The socialist parties and trade unions in France and Italy are weaker than the Communists. Thus, the social-political structure and policies of a United Western Europe are not likely to be socialist. Furthermore, it would appear that West Germany, without the Protestant and more traditionally socialist areas of Germany now under the jurisdiction of the East German government, may long be governed by a nonsocialist government. Other predispositions also tend to make the business leaders more favorable to the ECSC than the union leaders were and are. For

example, obviously the businessmen are more opposed to socialization than are the union leaders. There also appears to be more fear of Russian domination among the business than among the union leaders. There is no evidence on whether or not any of these predispositions shifted between 1951 and 1957. Therefore, while the predispositions probably are quite relevant to explain the more favorable initial evaluation of the Community by the business leaders, they do not seem to help to explain the shift toward more favorable evaluation among the union leaders.

Influence of Others

The influence of political leaders is particularly relevant in shaping perceptions and evaluations of the ECSC. The trade unionists are predominantly adherents of the Social Democratic Party (SPD), while the business leaders support the Christian Democratic Union (CDU). The SPD officially took a very strong stand in opposition to the proposed ECSC, arguing that the ECSC could not be truly European if it were based upon a divided Germany, a Germany that was not justly represented, if its form of administration gave little importance to any Parliamentary organs, and if only parts of the economies were integrated.

The CDU, on the other hand, pointed to the Plan as a recognition of German equality and a step toward a more far-reaching political integration of Europe, increased strength, and economic unity with benefits accruing from a larger market and increased mass production. The fact that the leader of the CDU, Chancellor Adenauer, so urgently pressed this policy probably carried weight with many business leaders. He was trusted and his support for many desired domestic policies would not be repaid by

opposition to some foreign policies. This helps to explain the *initial* evaluations of the proposed Community. But the SPD leaders argue that they were correct, although they cooperate in its functioning and hostile criticism has ceased. This shift does not itself adequately explain all the changed evaluations in 1957.

Experience with the ECSC

Experience with the ECSC refers to the way in which the ECSC is perceived to have affected the various self-identifications of the respondents.⁵

Of course, predispositions and the influence of others affect experience, but the men interviewed in this study were close enough to the activities of the ECSC to have personal experience with it, upon which to base their perceptions, and this experience itself may affect their evaluations. The analysis indicates that this is the case. The business and union leaders in the coal and steel industries have many self-identifications which they might perceive to have been affected by the ECSC.

Although frequently mentioned, identification as a European probably is not an important identification.⁶ There were, however, many statements of disappointment that the establishment of the Community did not rapidly lead to complete economic and political integration. This was mentioned particularly by the businessmen, who said that they had been told and had hoped that the ECSC would be the locomotive pulling Europe to unification. Presumably, some of this disappointment is lessened now that new steps toward Western European Union have been taken.

Self-Identification as a German

Asked what they had feared and hoped from the Community when it was first proposed and being negoti-

ated, the respondents mentioned several items which revealed the German identification as an important one. Union and particularly business leaders said that they hoped it would mean German political equality with France and greater acceptance in the Western World. Businessmen mentioned that they feared it might mean economic exploitation of Germany by the other nations through their control of the organs of the ECSC. Union leaders mentioned particularly that they had feared that it would be an obstacle to German reunification.

The perceived consequences of the ECSC for Germany are difficult for the respondents to evaluate. They cannot with certainty, and in doubt do not, attribute credit to the Community for German prosperity. If any consequences at all for Germany are acknowledged, they are perceived to be mixed; e.g., while on the one hand Germany must export some of its coal and (at the time of the interviews) import more costly American coal; on the other hand, steel is probably cheaper for the southern German manufacturers who can now buy from France.

Another way of estimating the respondents' perception of the ECSC is to consider their perception of the High Authority, the important executive organ of the Community. On the whole, the High Authority was considered neutral and its members seemed to enjoy respect for being fair and competent. However, some partisanship was attributed in response to probing questions. When, for instance, they were asked which "group" has most influence within the High Authority, business leaders were likely to mention France. Some business leaders also named (1) employers—the business managers in relationship to the unions—or (2) consumers—the industries using coal or steel. The

union leaders were less likely to mention France; they most frequently referred to the employers. It appeared that the union-employer relationship was of more concern to the union leaders than to the businessmen.

It seems that many businessmen felt that Germany was making sacrifices for Europe by carrying more than its share. Yet a readiness to do this was also asserted—in order to build Europe and, after all, "we lost the war." Most likely, this position was possible because the sacrifices were not perceived to be really great, since Germany is prosperous. Furthermore, there was widespread confidence in Germany's ability to compete and, even with some handicaps, to fare well in an economically integrated Europe.

The perceptions of the possibility that the ECSC lessened Germany's chances to have become reunified are also complex. At the outset of an interview, businessmen frequently said, in effect, "You must understand one thing. The ECSC was a political matter; it was originated and pushed through by political leaders for a political end—Western European Union." However, at the end of the interview, when asked if the ECSC had hindered German reunification, they often explained. "No, the Community is purely an economic matter." For the union leaders, the ECSC was sadly, and more frequently, perceived as a hindrance to a possible reunification.

Identification with the Company or Organization

On the basis of the number of references to company or organization identification in stating earlier fears and hopes about the ECSC, this is a very important identification. The businessmen mentioned that they had feared the competition of the modernized French steel works, the possible

anticartel policy of the High Authority, and "dirigisme"—centralized economic direction. They said that they had hoped for the end of the International Authority, for the Ruhr and the occupation authorities' steel production limits, for a more (classically) liberal economic policy, and for contact with colleagues in other countries. These hopes and fears may appear to be inconsistent; but underlying them is the wish for competition limited by the competitors themselves.

The union leaders mentioned different fears and hopes. They feared that the ECSC might be an employer-dominated instrument and that its establishment would make nationalization of the coal and steel industries impossible. They hoped that it would improve union-management relations and lead to an improvement in the working conditions and living standards of the workers. It must be noted that, as among the business respondents, not everyone mentioned all of these points; but they were mentioned frequently enough to make it clear that an underlying point of view existed. In the case of the union leaders, it is noteworthy that they seemed concerned with the Community as it might affect their relations with the management group.

Now let us consider what business and union leaders perceive to have been the consequences of the ECSC for their companies and organizations. When asked what differences the Community has made for their company, the businessmen were often at a loss to answer. Commonly, the first reply was that the company must pay large taxes to the ECSC; this was also mentioned to deprecate the loans which the High Authority has made. They did not perceive that the ECSC had directly affected their business situation. One exception to this was

among the coal companies of the Aachen region, on the Netherlands-Belgium border, where the market position improved by the disappearance of tariffs on coal.

Among the more favorably inclined businessmen and among nearly all of them upon more reflection, other consequences were mentioned. The fear of French competition was mentioned as having been unrealistic—the tremendous German economic expansion created a large enough market to absorb French steel imports. They perceived the anticartel policy as not having been too vigorous, although the GEORG coal distributing cartel—against loud protests—was broken up. The reconcentration of firms has not been impeded. The High Authority had begun to follow a more liberal economic policy in recent years so that many businessmen attacked the German government for not following the High Authority policy of permitting freer, nonpolitical prices. They felt that their business and social relations with their colleagues in other countries increased. They considered that there is greater economic stability in the community. Finally, with the establishment of the ECSC, the occupation authorities ended the production quotas; however, some respondents argued that this would have happened in any case. Note that this point, like some of the others, refers to something which, once accomplished, does not require further action by the organs of the ECSC; it is a withdrawal of activity. This is to be contrasted with the perceptions of the union leaders.

The union leaders frequently pointed out that the first action of the High Authority was to grant money for the construction of housing for coal miners. Many of the union leaders also pointed out that the High Au-

thority studies of the six nations reveal that the standard of living of the German workers is below that of workers in most of the other nations. This strengthens their bargaining position with German employers. While the union leaders may perceive the managers to have more influence within the organs of the ECSC, they could perceive some gains for their organizations and their constituents. More significantly, while the businessmen could be pleased with what *had* been done, the union leaders had hopes about what *would* be done. What the union leaders want requires some activity of the High Authority and its Secretariat and they are not handicapped in asking for more activity from the High Authority by an ideology against political intervention.⁷

Identification with Managerial and Union Role

The consequences of the ECSC for the roles of the respondents had not been anticipated by them and even now while being experienced are not as likely to be explicitly stated. Thus, in hearing the businessmen talk about the Community and particularly the High Authority, one is struck by the tone of irritation about forms to be filled out, regulations and reports to be read, and a sense that a new authority has been placed over their shoulder. The tone is similar to that of American businessmen talking about the institutions introduced during the New Deal. The irritation was often directed not so much against the policies being pursued, as against the presence of a supervisory authority. For union leaders, the ECSC has meant an expansion of roles. They have new important activities and, most significantly, through the Consultative Committee, they help shape general economic policy at the inter-

national level. Their entrance into this level of policy formation was a new step. For the business leaders this has meant a sharing of power. Here is a factor which helps to explain both the increased approval of the Community by the union leaders and its decline among the business leaders.

The importance of the role identification in determining the evaluations of the Community is further indicated by the fact that generally those who participated most in the organs, subcommittees, and activities of the ECSC were most positive in their evaluations of it. Of course, it might be argued that this is a matter of self-selection: those who are favorable to the Community, because of their general predispositions, volunteer for activity within it; those who are not favorably disposed reject participation. This is probably the case, particularly among those who feel very strongly about the matter. But there is some evidence that this is not the whole explanation. Among the union leaders, those at the national level of their respective unions were more involved in Community activities than those at the local level, and the national leaders generally were more favorable to the Community than the local leaders.⁸ Similarly, the business association officials more directly participating in the ECSC were more approving of the ECSC than the businessmen who are members of the association. And selection for national office or association positions was not based upon attitudes toward the ECSC. Apparently, those who participate more actively begin to know more about what the Community is actually doing and, more significantly, they begin to learn a broader perspective within which to evaluate the Community. For example, beliefs that Germany is being cheated or that the employers are dis-

advantaged naturally become modified when one hears comparable complaints from the French and the trade union representatives. It is through this experience that a true "European" perspective and enthusiasm develop.

3. Significance of the Determinants

The determinants of the respondents' evaluations of the ECSC vary in importance. Predispositions and the influence of others, while adequate to explain the initial evaluations of the Community, are not adequate to explain the shifts in evaluation. Among the German public, since they have less experience with the ECSC, predispositions have more significance in determining evaluations.⁹

Among the businessmen and union leaders in the coal and steel industry, experience with it was the most important determinant of evaluations. The variation in significance of different kinds of experience is also striking. Of the self-identifications by which the consequences of the ECSC would be considered, the identifications as Europeans and, more surprisingly, as Germans did not seem to be significant in evaluating it. Rather, the identifications with the company or organization and particularly with the managerial or union role seemed to be more important. Even among the German public at large, experience with the ECSC was a factor in determining evaluations of it; but the experience involved another self-identification, namely, that of the German consumer.

Finally, a few observations on the implications of the ECSC for further European integration can be ventured. According to the respondents' own estimates, the experience with the ECSC has not decreased their faith in European Union—in many cases it has increased it. Criticism, when it

occurs, is directed at the particular institutional manifestation of European Union.¹⁰ Any institution which affects important interests is likely to affect some people adversely; this is inherent in change. Sometimes, indeed, the adverse effects are directly experienced, while the advantages are diffuse. In such cases, faith in an ideology which posits beneficial consequences is important. Thus, the German business and union leaders were not shaken in their faith in the Idea of Europe by the irritation which they may have felt with a particular manifestation of it; yet, the image of the organizational form which the union should assume was modified.

On the basis of the findings reported here, however, it seems that once the institution is established, evaluations of it are not greatly determined by ideology, at least among the persons directly involved in the institution's activities. Furthermore, in addition to the direct and current evaluations of the institution, new patterns of behavior and resulting values and beliefs develop. Thus, given a supranational institutional framework, activities are pursued within it which lead to the recognition of its legitimacy and the formation of new international interest groups, while even national-interest-group representatives become, in a sense, liaison persons between their foreign colleagues and their constituents.

Of course, whether or not France, West Germany, Italy, Belgium, The Netherlands, and Luxemburg continue to take steps toward unification does not depend merely upon the way in which the ECSC functions and is evaluated. It depends largely upon the factors which led to the establishment of the ECSC in the first place, that is, the policies of the U.S. and the U.S.S.R. and other European nations,

the domestic political developments within the six nations, and perhaps also upon the extent to which the six nations already share a common culture and form a unified society.

Notes

¹For discussions of the origins, structure, and activities of the ECSC, see Henry L. Mason, *The European Coal and Steel Community*, The Hague: Martinus Nijhoff, 1955; John Goormajhtigh, "European Coal and Steel Community," *International Conciliation*, No. 503, May 1955, pp. 343-408; Ernst B. Haas, *The Uniting of Europe*, Stanford, California: Stanford University Press, 1958; and William Diebold, Jr., *The Schuman Plan*, New York: Praeger, 1959.

²I wish to acknowledge my indebtedness to The University of Chicago Law School, where, as a Senior Fellow in Law and the Behavioral Sciences, my work was facilitated. I am also indebted for a Fulbright Research Scholar award in Germany for 1956-57 (affiliated with the *Soziologische Seminar* at the University of Cologne), which made it possible for me to collect the data upon which this study is based. Respondents were selected so that men in different regions, organization ranks, company sizes, and industries would be represented. Thirty German business and union leaders in the coal and steel industries were contacted. The interviews followed an interview guide and lasted from one to four hours. Twelve members of the High Authority Secretariat and of other branches of the ECSC were interviewed. In addition, interviews with many knowledgeable observers were conducted. Finally, public opinion surveys, published analyses, newspaper stories, and unpublished records were also examined.

³Of those trade union leaders whose position can be categorized, eight had been originally opposed and were now positive toward the ECSC, while three were and still are favorable. See "The European Six and the Workers," *The* (London) *Economist*, January 7, 1956, pp. 45-46.

⁴Of the business leaders interviewed, two were and remained in opposition, eight were positive and generally still are, five had become less approving, and only one—a business association leader—was more positive than formerly. Also see Waldemar Lenz, "German Industry Looks at the Community," *Bulletin from the European Community for Coal and Steel*, No. 7, May 1955, pp. 3, 4.

⁵One general characteristic of the consequences of the ECSC can be stated at the outset. The ECSC did not have any obvious, direct, and great consequences for these Germans. As in the case of many social innovations, heated debate about some extreme dangers and opportunities raised expectations of great changes which reality did not fulfill. Thus, those who hoped for much would be

somewhat disappointed, while those who feared much would be reassured.

⁶Being a good European usually is justified by reference to national benefits; thus, people are not yet really Europeans. However, one consequence of this way of speaking is to increase the value of Europe as a symbol. The symbol takes on more positive connotations and thus provides more basis for popular support.

⁷The recent coal-surplus crisis in Germany (and Belgium) was a blow to the prestige of the High Authority because in the Spring of 1959, the Council of Ministers overruled a High Authority plan for meeting the crisis on a community basis. Nevertheless, the national governments' attempts to deal with the crisis have been made in conjunction with the High Authority and thus the German business and union leaders in the coal industry have worked through the national government and the High Authority for the solutions they favored. Notably, the social welfare program for aiding dislocated coal miners was worked out with the High Authority and the German government, and a program acceptable to the coal union leaders was completed.

⁸The local leaders and particularly the rank and file members are sufficiently unconcerned with the ECSC so that even if critical of it, they are unlikely to put any pressure upon the national leaders; the national leaders rather try to educate the members about the ECSC. The business association officials are in a different situation. The constituents are more likely to be concerned about the ECSC and more vocal if they are dissatisfied with the actions of the High Authority. As a result, the business association officials and business delegates to the ECSC organs function as liaisons between their constituents and the ECSC and the other interest groups.

⁹See the analysis of public opinion survey data in Louis Kriesberg, "German Public Opinion and the European Coal and Steel Community," *Public Opinion Quarterly*, 23 (Spring 1959), pp. 28-42; and Louis Kriesberg, "German Evaluations of the European Coal and Steel Community, 1950-1956," *Kölner Zeitschrift für Soziologie und Sozialpsychologie*, in press.

¹⁰There is an interesting way in which the peculiar structure of the ECSC may tend to encourage further steps toward European Union. Partly because the executive branch of the ECSC has so much authority, the Treaty establishing it was very detailed. Advocates of the ECSC, therefore, can easily answer criticism of the High Authority or of other organs of the ECSC by pointing out the statutory limits of the ECSC authority. The limitations are emphasized because they naturally arise from the partial integration which the ECSC entails. The solution, therefore, is readily perceived to lie in further integration. The defects in functioning can easily be attributed to the partial character of the integration rather than something intrinsic to integration.