# The Hattenheim Talks (January 1950)

## Abstract

In 1947 the British occupation authorities, with the support of the trade unions but against the opposition of the West German coal and steel industry, introduced *paritätische Mitbestimmung* [co-determination on the basis of parity] in the Ruhr region, which created a new balance of power between the owners and manager, on the one hand, and the unionized workers and employees, on the other. At the level of company supervisory boards, workers' representatives were given seats equal to those of the shareholder under the "neutral" chair. Furthermore, a "worker director," nominated by the workforce, was put on the management board with equal voting rights and with the mandate to advocate for welfare issues. The shareholders and managers, still under order to dismantle and deconcentrate large trusts such as Vereinigte Stahlwerke and I.G. Farben, were too weakened to resist this innovation. But with the founding of the (semi-)sovereign Federal Republic in 1949 and the election of a democratic-parliamentary government in Bonn under chancellor Konrad Adenauer, the Allied decrees, on which co-determination was based, were to be replaced by German legislation. This immediately led to demands by the employers to abolish co-determination in the coal and steel industry, while the trade unions began to push for the extension of the "parity" model to all companies. The Hattenheim talks of January 1950 attempted to discuss if a negotiated solution to the reordering of labor relations could be found and this document provides a point-by-point examination of what the two sides were aiming at and whether a compromise could be found. The developments of subsequent months showed that there would be a power struggle instead that the employers, greatly strengthened by the end of Allied attempts to reorganize industry and by the growth of Erhard's Social Market economy, thought they could win. By the autumn of 1950 entrepreneurial pressure had become so strong to undo "parity" co-determination that the trade unions felt they had to draw a red line.

## Source

### Co-determination negotiations of the social partners in Hattenheim, January 9/10, 1950.

The most important points of the negotiations on the right of co-determination on January 9 and 10 in Hattenheim can be summarized in the following sentences:

The negotiations were conducted in a remarkably businesslike and harmonious atmosphere on both sides.

Both sides acknowledged the need and the willingness to discuss the problem in its totality, i.e. both at the company level and at the level outside the company.

Both sides emphasized their desire to resolve the resulting problems between the parties directly involved in a factual manner, thus avoiding a solution on a purely political level.

In order to achieve this jointly sought objective solution, there was agreement that now and in the future – "until jointly revoked" – the public should only be informed by jointly drafted reports.

There is agreement on the close connection between the right of co-determination at the

company level and the right of co-determination at the supra-company level. According to the statements of the trade unions, the extent of the co-determination rights granted at the supra-company level is of considerable importance for the extent of the demand for co-determination at the company level.

At the *inter-company* level, there is agreement on a joint body for the federal territory, to be called the "Bundeswirtschaftsrat" [Federal Economic Council], which would be composed solely of representatives of business and labor for the purpose of joint deliberations on economic and social policy issues. The trade unions demand a regional and technical substructure for this body and hold out the prospect of more precise proposals in this regard. The employers have reserved the right to make statements on this matter after they have become aware of the individual proposals of the trade unions and after these issues have been discussed and clarified within all the top management organizations involved.

On the question of the right of co-determination in the workplace, the trade unions generally take the view that any right of co-determination to be granted to the works councils should only be implemented in close contact with the trade unions. No conclusive statements have been made by the employers on this point. The position of the employers on this question remains to be clarified in their own camp for the time being.

Subject to the extent (see also item 5), the trade unions are in principle seeking a right of co-determination in the company both in economic and in personnel and social matters. The unions in Hattenheim have not yet specified the exact nature and extent of such a right of co-determination. With regard to the right of co-determination in *economic* matters, the unions stated that this right of co-determination should not relate to the involvement of the works council in the management powers of the company. No "bipolar management." What is sought is a right of co-determination or control "in fundamentally important economic questions, questions of the general line management of the company, which are of particular importance for the fate of the employed workers."

In the opinion of the unions, disagreements between management and the works council on the implementation of such a right of co-determination in economic matters should not be settled by arbitration bodies outside the company, but by the supra-company trade unions as the substructure of a federal economic council.

In the trade unions' view, a fundamental distinction should be made between large companies, especially corporations, and small and medium-sized private companies in the structuring of the right of co-determination in economic matters. In Hattenheim, the trade unions did not specify any proposals as to how this different treatment between the individual company sizes and types should take place.

Regardless of the desire for a right of co-determination at the workplace in economic matters, the trade unions demand that the works councils be kept informed by [the] management on an ongoing basis about economic events at the workplace.

The opposing view of the employers toward the trade unions' demands for a right of co-determination in economic matters was clearly expressed by the members of the employers' commission with a detailed explanation of all economic, social, and economic constitutional reasons. Hattenheim did not bring about a convergence of the differing views of both sides on

this issue. The discussions on the right of co-determination in economic matters were postponed and are to be continued later in the overall context of the problems.

The trade unions' demands for a right of co-determination in *social and personnel* matters have not been specified in detail. The right of co-determination in personnel matters is to relate to the hiring and dismissal of employees and to matters connected with a fundamental change in the employment relationship of the individual employee. In social matters, the right of co-determination shall be regulated within the framework of works agreements to be concluded between the employer and the works council. No individual discussion of this has taken place.

The employers have made the declaration that they are "in principle prepared to recognize co-determination rights in the personnel and social area of the company which, in the event of non-agreement, make the decision of an arbitration body necessary."

The trade unions have stated that they "note with approval this statement by the employers and note that this creates the conditions for reaching a good solution to the overall problem of equal rights for workers in the economy through further negotiations."

Both parties agreed that a commission consisting of six representatives from each side should be formed, which would be given the task of drawing up proposals for the implementation of a right of co-determination within the company in the personnel and social areas. The commission is to meet as soon as possible after the unions have submitted their proposals on the overall scope of the planned cooperation between employers and employees.

This expresses the desire and intention of both parties to continue the negotiations on the right of co-determination between the two parties (see item 3).

gez. Dr. *Raymond*, signed Dr. *Erdmann*

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