



**Between local interests and international solidarity:  
Negotiating restructuring at General Motors Europe**

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## Abstract

At no other firm has transnational worker cooperation been taken further than at General Motors Europe. Worker representatives engaged in European wide mobilization, strikes, and collective bargaining, with the aim of “sharing the pain” of concessions and preventing plant closures. We argue that this is a case of identity work, a deliberate shift in the ideational underpinnings of union strategy, orchestrated by the European Works Council. While trade union strategy was subject to the reshaping of interests due to the objective facts of corporate restructuring, it was also subject to an additional subjective and internal political process of identity work.

# 1. Introduction

In Europe, internationalization has become an important topic in industrial relations, and for good reason.<sup>1</sup> After centuries of violent conflict between nation-states, Europe has developed strong supra-national governance in the form of the European Union (EU). While political integration has brought about a shared set of legal norms across Europe, economic integration has divided European workers by giving employers based in high-wage countries in the north and west easier 'exit' options in the south and east. General Motors Europe (GME), the subject of this paper, is a case where this tension between political and economic integration has been especially dramatic: at no other European automaker has there been more exercise of these exit options or stronger transnational worker resistance.

Compared to other parts of the world, the institutional framework of Europe is highly conducive to international labor solidarity. Since the 1950s, treaties have established the free movement of goods, services, capital, and people across national boundaries and created a supranational government, the European Union. These freedoms affected industrial relations by enabling firms to shift work to low-wage zones, first in Southern Europe, then in the Central and Eastern Europe. In response to calls for a countervailing 'social dimension', in 1994, the European Works Council (EWC) Directive was passed, creating a legal basis for employee information and consultation within multinationals. Since then, scholars have debated whether EWCs were evolving into structures for international labor solidarity (Martínez Lucio and Weston 1995; Turner 1996) or tools for the pursuit of competing national interests (Streeck 1998; Hancké 2000).

The EWC debate matters beyond Europe, because it is about the conditions under which trade unionism itself becomes more international (Lillie and Martínez Lucio 2004). Our argument is that conflicts of workplace-level interests do not necessarily undermine the construction of international solidarity if trade unionists construct a transnational identity. We are arguing against the mainstream of industrial relations theory, which when applied to EWCs focuses on the conflicting interests set by the structure of the corporation, market pressures, and national institutions. Based on an in-depth case study of General Motors Europe, where the process of international integration of production has gone the furthest, we argue that it is possible to overcome these conflicts through what we call identity work. This mechanism is ideational, not reducible to rational choice, and depends on the interpretations and political abilities of individual union leaders.

The case study is based on transcripts of 25 interviews with GM managers and trade unionists (and in Germany, works councilors) in Spain, the UK, Sweden and Germany, carried out between 2005 and 2007. We also rely on publicly available sources such as statistics, press sources, academic articles, and the global 'GM Worker Blog', we also draw on personal observation of, and involvement in, international meetings, as well as archived leaflets and newsletters. We know that we have selected a case with the highest degree of worker mobilization because of our own study of the industry as a whole in North America and Europe, which has

involved nearly 200 interviews between 2002 and 2007, mainly in Germany and the U.S., at GM, Ford, DaimlerChrysler, Volkswagen and their suppliers.

The next section introduces the notions of interest and identity and provides a formal overview of our argument. After that, we trace the development at GME from purely local national trade union responses to management strategies and economic internationalization in the 1980s to the early work of the EWC in the 1990s, to the rise of a European identity in the 2000s. Finally, we summarize the findings and discuss the prospects of transnational worker cooperation to cope with the strategies of multinational corporations and globalization.

## 2. Two faces of union strategy

How do trade union strategies change in response to internationalization? The industrial relations literature contains many examples of trade unions changing their identities, usually by adapting to some disruption caused by changed market environments. Most commonly, unions change because the alternative would be decline: identity shifts in unions' interest.

Identity and interest, however, refer to different sides of actor strategy. While interests guide behavior through an interpretation of objective circumstances, identities guide action through subjectively defined norms. Interests are ideas about constraints, opportunities and instrumentality; whereas identities are ideas about the self and sense of purpose. Both are multiple: it is extremely rare for an individual or organization to have only one interest or one identity, and the parts of a union's identity can be contradictory. While both concepts are necessary for understanding strategy, neither is sufficient: even the most narrowly self-interested actor has an identity and norms, and very few organizations' identities can be sustained without some kind of instrumental behavior.

Change in identity is our central concern, and the literature on American trade unions provides many examples. Interests and identities, for example, can change together through a union's more or less rational adaptation to a threat, such as telecommunications workers facing deregulation and maintaining their membership through sophisticated political and organizing strategies aimed at representing new groups of workers in a changing workforce (Katz, Batt, and Keefe 2003). Other times, interests change while identities remain stable, such as craft unions that maintained a stable identity in the face of new unskilled competition (Commons 1909). That it was in such unions' interest to organize can be shown by the repeated failure of strikes and collapse of organizations when they failed to do so. Conversely, cases exist of organizations whose identities have changed due to internal organizational dynamics rather than a change in the environment. These include service-sector unions that have shifted to an 'organizing model.' Here, competition between the union and non-union sectors is nothing new, and cannot therefore constitute a shift in unions' interests; instead, identities have been shifted through the top-down intervention by national unions, the hiring of new staff, and the 'manufacturing' of crisis (Voss and Sherman, 2000).

In the case of the European metalworking industries, old union identities have been challenged by internationalization and restructuring. Drawing on the experiences of national metalworking unions in the UK, Germany, Sweden, and Italy, Locke and Thelen (1995) show how different aspects of industrial restructuring challenged or undermined the “institutional or ideational underpinnings of union power.” Based on the experiences of the 1980s, they argue that union identities (which they define as “‘world views’ or ‘cognitive maps’” [p. 312]) vary by country, and that this variation led to different kinds of resistance to restructuring. Their story leaves off unresolved in the early 1990s, raising the question: if globalization undermined old union identities, what are the new ones, if any?

One interpretation of subsequent events emphasizes trade unionists’ plant-level struggles to retain jobs, their collaboration with management, and their tendency to bargain in ways that undercut colleagues elsewhere. Internationalization of corporations and decentralization of bargaining seemed to be progressing parallel to one another (Katz 1993), partly because plant- and firm-level identities seemed to be getting stronger under shared existential threats associated with intensified competition. Within large automakers, the internationally integrated corporate structures enabled management to whipsaw concessions (Mueller and Purcell 1992), creating conflicts of material interest between groups of employees at different plants. Local concessions secured jobs in specific plants but put pressure on workers elsewhere in the system to do the same, a pattern that continued until after the passage of the EWC directive (Hancké 2000). EWCs could not immediately halt whipsawing, partly due to the inevitable unevenness of bargaining outcomes internationally (Pugliano 2007) and partly due to low-trust relations between representatives from different countries, within Western Europe (Timming 2006) and between east and west (Bernaciak 2008). In this concessionary dynamic, management whipsawing invoked plant-based identities and sparked conflicts that undermined the EWCs’ potential as a platform for international trade union solidarity.

Other writers have explored the continued development of labor transnationalism, despite this structural tension. Fetzner (2008), for example, points out that global competition for investment within a corporation can lead to greater interdependence between trade unionists in different countries and, what he calls a European ‘community of risk’. He stresses continued conflicts of interest within the corporation’s workforce, but accepts that workers’ interest in investment in Europe can facilitate what he views as a ‘protectionist’ form of labor transnationalism. Greer and Hauptmeier (2008) cite other structural reasons for the rise of different forms of labor transnationalism at four European automakers. They find that conflicts of interest within the labor camp vary: trade unionists with good access to management – such as those at VW and Daimler Benz – tend to favor cooperative in-firm solutions, while those facing distant management – such as those at GM and Ford – had to develop new kinds of transnational mobilization and bargaining, often in violation of the logic of co-management. Whittall, Knudsen, and Huijgen (2008) argue that a common transnational identity emerges when a EWC has a relatively open and rapid flow of information and is not hierarchical (i.e. is not dominated by a single national group). These writers combine, in different ways, structural and ideational factors in their explanations.

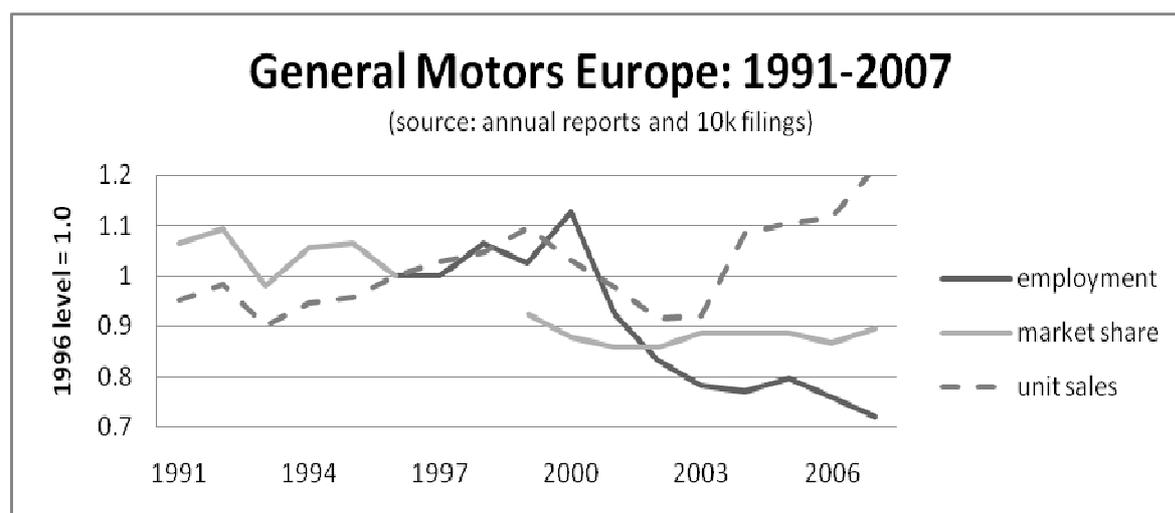
These schools of thought contain expectations about the interaction between identity and interest that can be expressed as two hypotheses, both of which are consistent with our data. The first is a threshold condition for the emergence of labor transnationalism valid for most of the other European automakers; the second explains developments unique to GME and, we will argue below, raises problems with rational-choice explanations.

1. *Interest-based labor transnationalism requires **the European integration of the corporation and accompanying threats of plant closure***. Local trade unionists use the institution of the EWC for international coordination when they face the collective action problems posed by competition for investment. This coordination, however, is susceptible to plant-level trade unionists defecting in order to engage in local productivity bargaining.
2. *Identity-based labor transnationalism requires, in addition, **the active redefinition of trade union identity at the European level by union leaders***. This kind of international coordination requires a belief in Europe as the relevant community of interest and requires leadership to advocate an identity shift. The pattern of interaction here is more specific: relations with management become more contentious and relations within the trade-union camp more egalitarian. Contentious episodes and the involvement of trade unionists from across Europe reinforce the EWC's identity work, despite conflicts of interest.

As an argument based on a single case study, its validity needs to be subject to further empirical testing. Identity work could proceed differently where institutional supports are weaker, such as in NAFTA, where contacts are less regular (Kay 2005) and automotive unions more nationalist (Anner et al 2005). We might also expect differences in cases of actors with more power, such as national employers confederations; here, the validity of arguments may play a greater role (Culpepper 2008).

### 3. Identity work at General Motors Europe

At first, the internationalization of worker representation within GME was a response to the internationalization of the firm. During the postwar period, until the formation of the new Zurich-based subsidiary in 1986, General Motors made cars with a focus on the respective national auto market, with production carried out separately by the Opel and Vauxhall subsidiaries. Thereafter, the company began to centralize its industrial relations policies across borders, standardize production processes, benchmark plant and costs, and created a within-company market for new production. The resulting rounds of concessions in 1993, 1995 and 1998 created a common sense of vulnerability within the camp of worker representatives, and after the 1996 formation of the EWC, union strategy became subject to ongoing debate at the transnational level.



The EWC's work took on a new quality after 2000 with a switch in the leadership, deterioration of GME's financial performance (between 2000 and 2008 annual losses ranged between \$190 million and \$1.7 billion), and headcount reductions (from 89,000 to 57,000 between 2000 and 2007 [figure 1]). The union response had a strong element of rank-and-file participation, including six European Action Days between 2001 and 2007, in which up to 40,000 workers participated. Overall, the results of mobilization were mixed: when the common European identity held sway, they led to European framework agreements involving a solidaristic redistribution of concessions. However, other times, local identities held sway, and the common front was undercut by local deals. From 2005 on, the EWC sought to strengthen the ties between the different plants through mutual plant visits and build new structures along the boundaries of the production 'platform'.

In its first phase, the EWC served as a German-dominated forum for debate over national responses to management's initiatives; in the second period, it served as a forum for coordinating contentious actions, including work stoppages at the European level. Over time, the participation of workers and worker representatives from around Europe – and not just Germany – became more and more central to the EWC's work. The continuity of personnel played an important role in sustaining this work: the individual leaders carrying out the identity work remained on the EWC from 2000 until the time of writing in 2008. But they also worked to institutionalize their approach. Over this period, the EWC's structure grew well beyond the statutory minimum, including co-determination organs funded by management and independent coordination organs funded externally.

### *3.1. National production and institutions in the 1980s*

In the 1980s, as during the postwar decades, labor strategies were underpinned by local and national trade union ideologies and national employment relations institutions. Production in each country was largely independent of the production from others countries and a high percentage of the national auto production was sold

in the respective national market. Trade barriers continued to exist in the 1980s in Europe and were only slowly removed in the process of European economic integration.

The bulk of GM's European car production took place in the UK and Germany. The British brand Vauxhall was produced in Luton and Ellesmere Port and managed from London, while the Belgian-German brand Opel assembled cars in Rüsselsheim, Bochum, Kaiserslautern, and Antwerp and had its headquarters in Rüsselsheim. In the early 1980s, GM built a new assembly plant in Spain (Saragossa) and a new powertrain plant (i.e. large parts such as engines and transmissions) in Austria (Vienna). The main reason for building the new Saragossa plant was to get access to the growing Spanish market, which, until the mid-1980s was closed off by trade barriers.

It was in the early 1980s that trade unionists in the UK and Germany began to worry about international competition. An international meeting took place to discuss the challenges faced by the unions. Richard Heller, the head of the German works council, suggested planning for common strike action in Europe in the event of further challenges from management. However, British and German trade unionists could not agree on a common position; below the surface was mutual suspicion. The British were skeptical of the Germans' participation on the supervisory board and in-plant cooperation with management, while the Germans were skeptical of the combative approach towards management favored by their British colleagues. Another problem for developing common positions was the lingering resentment between Germans and the British based on the personal experiences of having fought on two opposing sides in World War II (works council and trade union interviews, 2005).

Trade unionists in other countries had almost no contact with their British and German colleagues; Saragossa's trade unionists had no contact to their British and German colleagues in the 1980s. The ideology of the Spanish unions was shaped by their fight against the Franco dictatorship and their struggle for democracy in previous decades. After the transition to democracy it seemed to be natural for the Spanish unions to engage in contentious collective bargaining with multinational companies. At the Saragossa plant, trade unions backed up their demands in collective bargaining rounds in 1983, 1984 and 1987 through strike action (trade union interviews, 2005).

In the second half of the 1980s, GM began to integrate its operation in Europe. It established a European headquarters in Zürich and a new centralized command-and-control structure covering Opel and Vauxhall as well as the Swedish car company Saab, in which it bought a majority stake in 1989. In addition, management began to standardize production. These steps did not lead immediately to greater competition and interdependence between assembly plants in Europe. However, GM sought concessions in local bargaining with its engine plants in the context of new production decisions. GM gained some improvements with respect to greater working time flexibility, but these were small compared to the concessions of the 1990s.

## *3.2. The emergence of labor transnationalism in the 1990s*

After the breakdown of communism, the European auto market expanded to Eastern Europe. The EU continued to liberalize the European car market and lowered remaining non-tariff trade barriers. GM expected growing car sales in Eastern Europe and accordingly shifted its manufacturing footprint moved east. It started assembly production in East Germany (Eisenach) in 1991 and Poland (Gliwice) in 1998 and opened a new powertrain plant in Hungary (Szentgotthard) in 1992. Meanwhile, management continued to integrate its European operation and standardized production, through its Global Manufacturing System (GMS) and the reduction in the number of production platforms. GMS was a template for restructuring that defined standards and norms for production and created new tools for benchmarking manufacturing processes and their costs and performance. By grouping more models under shared platforms, the company could buy its parts in bulk and reduce the costs and risks associated with design and development. Within a given platform, GME also had immense flexibility to assign car production to different plants and began to use this power to whipsaw plants and extract concessions.

In 1993, the European auto market was a hit by a major recession; excess production capacity reach an estimated 30%. Management sought to cope with the market pressure by whipsawing different plants in Europe and extract labor concessions. Although management had whipsawed different engine plants in the late 1980s, this was the first time they used this strategy to extract concessions at assembly plants in Germany and the UK. In 1995, another round of whipsawing followed. Management offered the production of the Vectra and additional investments to the plants in Rüsselsheim (Germany), Antwerp (Belgium) and Luton (UK). Production went to Luton and Rüsselsheim after concessions in local bargaining at each site. The European-wide whipsawing and concessions demonstrated to labor more and more the limits of national labor strategies.

The founding of the EWC in 1996 was a contentious process. With the centralization of GM's European management, trade unionists wanted to overcome the asymmetry between centralized management and decentralized worker representation that was making whipsawing possible. Planning on the employee side had begun in earnest with a meeting in February 1992, which was organized by the trade-union umbrella organization, the European Metalworkers Federation (EMF), and included worker representatives from around Europe. Because management opposed calling it a 'works council', the body was labeled a 'European Employee Forum' (EEF), and the agreement establishing it was signed only eight days before the directive came into effect (after which would have lost the flexibility associated with early 'voluntary' agreements).

The agreement stipulated a structure for discussing issues that affect at least two countries. It meets three times a year, includes 30 worker representatives from 17 countries (in 1999 extended to include Hungarian and Polish representatives), and has separate subcommittees to prepare the meetings and to represent the various

production sites. In recognition of local-national tensions, the EEF includes representatives from the plants and from national trade union offices.

The first meeting was in January 1997 in Brussels. At this meeting, the chair, Rudi Müller, set a tone of willingness both to partner and to oppose certain management strategies, and raised the issues that were to come up again and again. He criticized the company's internationalization strategy, especially the investments in Latin America and Asia, and called for a stronger quality image and niche products designed for the wishes of European, rather than North American, consumers (Kotthoff 2006). The first contentious issue that came up was the 'template study', whose purpose was to use a set of criteria developed at the Toyota-GM joint venture in California, NUMMI, to identify savings that might be reached through outsourcing. While the EEF had been informed of the study, it had lacked details and had not been consulted. After calling a worker-side meeting and finding out that the study had already been carried out in Ellesmere Port and Azambuja (in Germany the works council had blocked it by taking management to court), attendees at the second EEF meeting passed a resolution declaring the study a 'crass violation of trust' (ibid.)

Far more significant was the concessionary bargaining round of 1998, which proved to be a turning point. The company announced reductions of staff in Europe, and national-level pacts were negotiated in Belgium, the UK and Germany. The agreements reached in early 1998 in Germany and Belgium both included five-year guarantees of employment, investment and production and provisions to prevent layoffs through early retirement, part-time work, and reviews of outsourcing arrangements. In exchange, workers accepted more working-time flexibility and wage restraint. These agreements put pressure on trade unionists in Luton, where, despite low labor costs and high flexibility, unit costs were higher than on the continent, due to low productivity and an unfavorable exchange rate. The unions agreed to participate in a drive to increase productivity by 30% (Hancké 2000).

These agreements signaled a defeat of the leadership of the new EWC, in particular, its intention of countering competition with solidarity. The German agreement was especially problematic, because, unlike the 1993 agreement or the 'gentleman's agreements' that characterize British industrial relations, it contained a legally enforceable employment guarantee (Schulten, Seifert, and Zagelmeier 2002). Although the deal brought a new plant to Rüsselsheim, new motor production to Kaiserslautern, and an additional shift to Bochum, works councilors had negotiated and signed it without informing other EEF members. Kotthoff writes, 'one eyewitness reported that an English colleague came into the room so angry, that he looked like "he might beat up [one of his German colleagues]"'. British trade unionists argued that the Germans "gave themselves advantages over the others, felt superior to the rest, acted separately in their own interests, were privileged due to their proximity to management, etc. . . Klaus Franz [the post-2000 EEF chair] said in retrospect, "either we would succeed in getting back on our feet or just remain a formal body" (Kotthoff 2006).

The 1998 round of concessions were not only a defeat; they also acted as a trigger for the intensification of worker-side international cooperation by shattering post-war national trade union ideologies. Unions were not any longer able to represent their constituents' interests based on class-based contention (in the UK) or institutionally

grounded social partnership (in Germany). The resulting soul-searching process soon led to demands for European-level in-firm collective bargaining. The regular meetings of the EEF helped participants to get to know each other better on a personal level, to develop a common narrative of the crisis, and to build trust, and company-funded English lessons for EEF members reinforced this by providing a common working language (works council interview 2005).

### *3.3. Transnational collective bargaining: 2000-2003*

The year 2000 marked major changes: a change in EEF leadership and a deterioration of GME's financial performance. In 2000, a shift in personnel took place in the EEF steering group. Rudi Müller went into retirement and was replaced by Franz, who had been previously a representative in the EEF. While the chairmanship remained in the hands of the chairman of the German central works council for Opel, the vice-chairmanship was occupied by a Belgian. Franz apologized for the Germans' behavior during the 1998 concessions and moved to improve the transparency of the EEF by involving all steering group members in deliberations. Their first battle came almost immediately.

In March 2000, GM managers announced a joint venture with FIAT without consulting the EEF. The planned restructuring of powertrain production would affect 15,000 workers in Europe and 15,000 in Brazil, and worker representatives viewed it as a breach of the original EEF agreement. In Bochum trade unionists responded with a wildcat strike; meanwhile, the EEF leadership began talks with management and insisted on a transnational framework agreement. Management agreed to bargain this first European framework agreement in order to salvage the deal with FIAT. Under its terms, all workers in Europe transferred to the new firm would have the same terms and conditions of employment as GM employees in their respective countries (works council interview 18 April 2005).

In December 2000, a second conflict, over the closure of the Luton plant, led to a European Day of Action and consolidated the EEF's role as a negotiation body. Although management informed the EEF, the announcement sparked immediate and fierce local labour protest at the Luton plant, and EU-wide mobilization in response. On 25 January 2001, 40,000 GM workers participated in demonstrations against the plant closure. Parallel to the protest, negotiations between management and EEF reached a breakthrough (Herber and Schäfer-Klug 2002). Franz announced the resolution via a conference phone to protesting workers in Germany. Although the plant was not saved, management agreed to avoid mandatory redundancies through the transfer of workers into a nearby van plant. From management's point of view, including European-level labor representatives engendered more cooperation in restructuring, since it enabled them to bargain with individuals not directly involved in the heated local conflict (management interview 22 March 2004). From the point of view of Germans seeking to patch up difficulties with their British colleagues, this

solidarity work was a way of making up for the 1998 agreement and showing that they had learned from their mistakes (Kotthoff 2006).

Despite ongoing restructuring efforts, the financial situation of GME was deteriorating, and in 2001 management and the EEF negotiated a restructuring plan called Olympia. Labor had heard about discussion on the management side to close down another plant in Europe and one possible target was the Antwerp plant. The EEF leadership was aware of GM's difficult economic problem and was generally willing to negotiate concessions using a principle of "sharing the pain", i.e. spreading concessions across Europe in order to keep plants viable and preventing closures. Management agreed to negotiate at the European level, and the agreement stipulated cost reductions for each location, but ruled out plant closures and forced redundancies.

The three European collective agreements in 2000 and 2001 were negotiated by the EWC leadership; however, the local workforces were also involved in the process. The negotiation of European collective agreements and common transnational collective action were important experience. They substantially strengthened the belief of the leadership as well as of the workforce that transnational union cooperation could work and shaped the development of a European identity around commonly fighting concessions, redundancies and plant closures. The implementation of these agreements continued through 2002 and 2003. Although no new major restructuring initiative was taken by GM, the identity work of the union leaders continued. For example, in the 2002 German works council elections, the dominant IG Metall caucus used its international strategy as a prominent plank in its platform, in effect, using the election process to educate workers about the importance of international solidarity (works council interview 2005).

### *3.4. Mobilization and structure building: 2004-2008*

In 2004, GM was still losing money in Europe; 'Olympia' had been insufficient. Management continued its restructuring and sought new concessions from labor in Europe. A new management strategy was the introduction of a formal bidding process for the distribution of new car production. Not only was GME management standardizing and benchmarking, but was soliciting tenders from local managers. Trade unionists responded by setting up the Delta Platform Group and the GMEECO project and continued their pattern of European mobilization and negotiation.

In the fall 2004, after months of rumors, management announced a plant closure in September (with Trollhättan, Bochum, and Rüsselsheim, the suspected targets), and in October announced personnel reductions in Germany of 10,000, or every third German employee. Immediately after the announcement, a wildcat strike broke loose in Bochum, where a plant closure was widely feared. The EWC organized a second European Action Day, including more than 40,000 workers stopping work for at least

an hour. As the strike in Bochum (which became an occupation) entered its sixth day, plants depending on it for axles had to stop production.

In November, the EWC made its 'declaration of Zürich' denouncing the restructuring program, declaring that 'management is unable to carry out kind of social dialog that is normal in Europe', and demanding negotiations within the framework of the Olympia agreement. The result was a fourth European collective bargaining framework, ruling out plant closures and mandatory redundancies; stipulating voluntary buyout programs, transfers into joint ventures, and early retirement; requiring intensive involvement by worker representatives in this process, including the site selection process. The agreement, signed in December, allowed for the elimination of 12,000 jobs, including 9500 in Germany, without plant closures (Dribbusch 2004; EMF 2005). In the local negotiations that followed, local trade unionists pursued very different objectives and – in the end – still negotiated concessions (Pulignano 2008).

Also in 2004 were competitions between Rüsselsheim and Gliwice for new Zafira production and between Rüsselsheim and Trollhättan for the Vectra. The EWC responded by organizing what it called "social competition": representatives promised to inform each other about negotiations with management and not to undercut existing collective bargaining agreement. Furthermore, they established an exchange between Trollhättan and Rüsselsheim, both medium-sized cities dependent on car production. Politicians from each town, including the mayors, visited to other town and issued statements demanding sufficient production for both sites. Although labor representatives informed each other and did not undercut the respective national collective bargaining agreements, they did make concessionary agreements, and in the end Gliwice won the first tender, and Rüsselsheim, the second.

The first two bidding processes showed the limits of EWC's approach and the importance of local interests and identities; accordingly, the strategy changed. Management had announced a new bidding process for the next Vectra model along the Delta-Platform, and GME invited tenders from Bochum, Ellesmere Port, Antwerp, Gliwice, and Trollhättan to submit tenders. The EEF responded by organizing a "Delta Platform Group" in cooperation with the EMF. The group's main purpose was to engage in negotiation with the European management, stop the whipsawing and ensure a distribution of production that would all plants of the Delta platform to survive (works council interview 5 March 2005). The Delta group consisted of two labor representatives from each country, including a representative of the local plant and the national union. Each member signed a 'solidarity pledge' calling for Europe-wide negotiations over the distribution of production. Because this coordination took place outside the scope of the EEF, management refused to recognize or fund it. The EEF wrote grant proposals and secured funds from the German Friedrich Ebert Foundation and the EU Commission, the latter, under the project-heading, 'Requirements and Perspective of the General Motors Europe Employees Co-operation' (GMEECO). GMEECO was launched in November 2005 and funded for one year to provide research support for the EWC, ostensibly to contribute to GM's competitiveness and to other social goals. In practice, it involved the running of workshops to build trust between members, facilitate information exchange, plan possible actions, and to 'develop criteria for the site selection process that reflects the interests of all plants' (Bartmann and Blum-Geenen 2006).

In April 2007 management decided unilaterally on the distribution of Delta-platform production, without negotiating at the European level. The big loser was Antwerp plant, which having already lost a shift a few months previously, would now lose all Vectra production. Following this decision, on 25 April, workers in Antwerp went on strike, supported on 3 May by another European day of action, covering 15 sites in eight countries. The EWC demanded a guarantee of at least two new products for the plant and a 'European Future Agreement' setting minimum standards of outsourcing until 2016. As part of the compromise, management agreed to produce two new models and a total annual production volume of 120,000 units, and to consider producing a third vehicle in Antwerp. After nearly two weeks on strike, just over 50% of the workers at the Antwerp plant voted in favour of resuming work (Telljohann and Tapia 2007).

The lukewarm reception by the Antwerp workforce was not the only problem in Delta-platform bargaining. Within the EWC accusations flew that worker representatives in Ellesmere Port and Bochum had broken the common front by negotiating locally with management. At Ellesmere Port, if any agreement was made, it was an informal 'gentleman's agreement', and, after intervention by the EWC, it was not signed. At Bochum, however, the works councils had signed a formal agreement with management that included the outsourcing of dashboard subassembly work. In September, a relatively weak framework agreement was reached by the EWC, requiring local negotiations over any outsourcing not agreed in the earlier deals; securing employment and products at the four plants receiving the work over the life-span of the model; and (if possible) the avoidance of future volume-related redundancies through European-level negotiations (GM EEF 2007).

The negotiations and tensions within the Delta group are example of the tensions that can exist between local identities and interests and a transnational identity. However, that local identities and interests did not always trump the transnational labor identity is shown by the Azambuja case in 2006. Management announced the closure of the plant in Azambuja (Portugal) and that its production would be transferred to the Saragossa plant (Spain). The EEF responded with five weeks of mobilization in June and July 2006, involving all plants, but varying between sites according to what was allowed under national law. Work stoppages lasting 2-8 hours took place in plants in Sweden, Germany, UK, Belgium, and Spain, and 'info meetings at all shifts' in France, Poland and Hungary. In Portugal trade unionists organized a 'march on Lisbon' and a 24-hour work stoppage, and worked with European and Portuguese politicians, who demanded in the event of a closure the repayment of subsidies worth tens of millions of dollars. In order to sustain the actions, they took place on a rolling basis, varying at each site in intensity from day-to-day, coordinated by the EEF (Whittall et al 2009). In the end, worker representatives won assurances from management to postpone the plant closure, to fund programs to help workers find alternative employment and to provide severance pay 260% above the statutory minimum (Bartmann and Blum Geenen 2006)). Although the closure and transfer of work was in the interest of the unions in Saragossa, the Spanish union struck in favor of their colleagues in Portugal based on labor's transnational identity around commonly fighting redundancies and plant closures in Europe. Similarly, the potential beneficiaries of plant closures in Western Europe, at plants in Hungary and Poland, also participated.

The above sketch of negotiations of the Delta groups shows the tension between local interests and identities and the European identity, the Azambuja case shows the European identity can be stronger than the local material interests. In light of these successes and failures, the international work of labor at GM continues. The GMEECO project has been renewed. In January 2008, it held a meeting in Belgium in anticipation of upcoming investment decisions over investment in the Gamma platform, including Saragossa, Eisenach, and Warsaw, and the powertrain plants in Bochum, Kaiserslautern, Szentgottard (Hungary), and Strassbourg (France) (GMEECO II 2008). While the first platform group may not have been a ringing success, the idea of transnational negotiations over restructuring has attained staying power. The idea of transnational worker representation has shown itself to be viable, and the preference for internationally coordinated concessions, as opposed to the opaqueness of whipsawing, has reinforced the belief in a common transnational strategy.

## 4. Conclusion

We have traced the development of a transnational identity and showed how it underpinned and led to transnational collective action at GME. While in the 1980s, as in most of the postwar decades, labor at the different plants in Europe pursued strategies based on national identities and institutions, worker representatives began to organize international meetings in the early 1990s due to expectations of further competition in the context of corporate expansion and European integration. In the mid 1990s, transnational whipsawing by GM's European management served as learning experiences for worker representatives and showed the limits of national union strategies. The internationalization of GM Europe posed an existential threat to in-plant worker representatives, because it involved credible threats of plant closures and, for those workers who remained, the rollback of historical trade-union gains. The strategy of worker representatives had to change.

At GME, identity work is what differentiates the post-2000 developments from those of the 1990s. While the EWC served as a site for local and national trade unionists to meet one another, gather information, and formulate positions, it did not serve as a site for coordinated action. It was also dominated by Germans, which undermined its legitimacy in other countries. With the turnover of leadership, the appointment of a Belgian deputy leader, the series of transnational mobilizations, the advent of a website platform for debate, and the launch of ongoing platform-level coordination, European work became part of the everyday business of trade unionists at GME. This reflected the depth of the crisis, but also a belief that life-and-death decisions over investment should be subject to European-level action, and not left to plant-level negotiators.

The interest-centered argument against labor transnationalism, while consistent with the experience before 2000, can be rebutted empirically by a discussion of subsequent events. According to this thesis, local conflicts of interest undermine attempts to turn EWCs into sites of worker strategy, and in effect, serve as

management tools to grease the wheels of European restructuring. It is conceivable that the European works council could have been used as an information-gathering tool for workers seeking advantage in a zero-sum game for investment. It is also conceivable that worker representatives could have used the EWC to extend German-style co-management to the international level, like their colleagues at Daimler Benz and Volkswagen. Instead, trade unionists made demands for European bargaining that management resisted, and despite local conflicts of interest, they backed up their demands with coordinated mobilizations involving all 18 of GM's European factories, and in some cases took action that was against their material interest in job retention.

The interest-centered argument *for* labor transnationalism is also flawed. According to this thesis, globalization has set up a form of interdependence within Europe that makes transnational collective action obviously in the unions' interests. However, this perspective does not explain the conditions under which trade unionists perceive Europe, rather than the workplace or the nation, as the locus of interdependence. Attempts to build international solidarity after instances of failure (the whipsawing of 1998 and the renewal of GMEECO) suggest that labor transnationalism at GME is *not* driven by perceived instrumentality. Under conditions of extreme crisis and a new institutional framework, the instrumental side of behavior may matter less than the normative side.

Rational-choice arguments work best in specifying a threshold condition for trade unions' initial use of EWCs as a limited instrument with an uncertain role in coping with interest conflicts. The alternative, to study the side of actor strategies in a way that does not reduce them to 'interests', remains rare in comparative industrial relations. One exception, Culpepper's (2008) study of Italian and Irish employers, emphasizes different processes of idea formation, in particular the 'convincingness' of arguments and the emergence of 'shared knowledge' in explaining changes in bargaining policies. His argument builds on earlier work stressing the importance of deliberation in overcoming the institutional barriers to social partnership (Baccaro 2003). These writers provide innovative theories of action outside of institutions and the creation of new institutions. However, their discussion is different from ours, because the role of changing ideas as a causal force independent from perceived outside events was less clear in the 'share the pain' mentality at GME than in Culpepper's account of 'powerful' actors. Ideas seem to change differently at organizations with room to maneuver than in those facing existential crisis.

A second question raised by our study is the extent to which these lessons are applicable outside of the European context, since the EWC is a statutory support for worker representatives unique to the EU. Although North American trade unions have pioneered different kinds of international work at the level of the corporation, these actions have been more ad hoc. At GM in North America, trade unionists have kept their distance from events in Europe and remain caught in a national pattern of crisis management. Elsewhere, US-Mexican trade union solidarity work has been subject to an analysis that stresses the labor-complaint mechanism built into NAFTA and the perceptions and politics of the trade unions involved summed up in the concept of 'framing' (Kay 2005). Although Kay's case is highly advanced for North America, it did not involve the degree of institutionalization – regular structure of meetings, the rights to information, the repeated rounds of mobilization and

bargaining – seen in the European automotive sector. Without public policy supports to promote a transnational ‘social dimension’, identity work analogous to GME may have more meager results.

The rise of transnational social identities within Europe has implications for industrial relations in the rest of the world. If the internationalization of markets and production is accompanied by new kinds of cross-border worker mobilization, it may be possible to rebuild trade union power at new scales. Currently, Europe is unique among the world’s regions in the institutional support provided for transnational networking. But unions under pressure in other parts of the world could react similarly if public policy created similar supports for them.

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