Abstract (Extra Thematic)
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Constructing Institutions –
Collective Bargaining in Multinational Companies in Spain

How do employment relations change even though the formal structure of employment relations institutions remains stable? This article draws on an analysis of collective bargaining in multinational auto companies in Germany, Spain and the United States to answer this question. The study traces the longitudinal changes of employment relations in each country as well as the emergence of similar employment relations practices across countries.

Previous literature on comparative employment relations linked formal employment relations institutions to national patterns of employment relations. In contrast this article argues that the ideas and ideologies of management and labour underpin the functioning and meaning of institutions. As the collective actors adapt to a changing socio-economic context, their ideas and ideologies change, which contributes to an evolution of institutional practices and a different enactment of institutions. First, management and labour make different use of their institutional rights and resources, e.g. they can apply forcing strategies with varying intensity and develop contentious, cooperative or market-oriented employment relations in identical institutional settings. Second, despite institutional constraints, the collective actors have a lot of leeway to develop new employment relations practices and instruments, which then in turn can alter the functioning and meaning of institutions. Institutions are what actors make of them. This institutional approach, which examines the interaction between the actors’ ideas and ideologies and institutions, might be called a constructivist institutionalism.

Most of the previous comparative literature in employment relations focuses on national institutions and has the historical institutionalism either implicit or explicit as a theoretical base. According to this literature, national institutions shape distinct pattern of national employment relations. However, this institutional literature has problems accounting for the spread of very similar employment relations practices across countries, which can hardly be described as a path-dependent change of employment relations institutions. In addition, the institutional literature has difficulties in explaining changes over time in each country. In most historical institutional literature, the threshold for change is high. It happens through external shocks at historical junctures and leads to a radical change of formal institutions. However, as the formal structure of employment relations institutions did not change through external shocks or otherwise, this literature has problems in accounting for the gradual and continuous changes of employment relations institutions across and within countries over time.
This static perspective on institutions is related to the rational choice foundation of actor behaviour in the historical institutionalism. The collective actors are supposed to know what their interests are in a given material context. The actors have the rational capacity to make the best choices in a given material context. Changing actor behaviour is directly linked to changes in the material context (such as markets and institutions). This approach leaves little room for a different use of institutions by the actors and the development of new institutional practices. This approach also has problems in explaining why actors behave very differently in a similar material context.

This study departs from the above described previous institutional literature and rational foundation of actor behaviour. The behaviour of the collective actors is not only determined by formal structures of employment relations and by a rational adaptation to a changing material context, but also by what the actors believe in and how they see the world. In a dynamically changing socio-economic context, in situations of economic uncertainty, when previous practices no longer provide a clear indicator on how to cope with challenges, the rational capacity of actors is limited and their action is crucially guided by collective ideas and ideologies. Ideas and ideologies are roadmaps and help the actors to work through situations of economic uncertainty. This study traces the ideational changes of the collective actors as they adapt to a changing world and links them to a different functioning and meaning of institutions. This article argues that analyzing the mutual relationship and interaction between ideas and institutions, which this article calls constructivists institutionalism, promises a more dynamic and fine-grained perspective for studying changes in employment relations than previous institutional literature.

The evidence in support of my argument draws on company case studies of collective bargaining. The case studies are based on qualitative research methods and data (semi-structured interviews, archival research, participatory methods) and some quantitative methods and data (descriptive statistics). I conducted five months of field research in Spain in 2006. The interviews were mostly conducted with labour representatives and management. In addition, I talked to workers, representatives of employer associations and academics. A major data source were the archives of worker organizations at plant and company level, which contained leaflets, speeches, union publications and collective agreements. This data allowed me to examine the inner life of the worker organizations and companies as well as to understand what happened in collective negotiations. Statements in the union documents also allowed me to trace changes in the ideology and of labour responses. In addition, my understanding of the company cases was informed by reviewing newspaper articles and annual company reports.

This paper is new and original. It has not been submitted to a journal. Please consider my paper for the extra –thematic part of the conference.