Labour Solidarity in Crisis? Lessons from General Motors

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Abstract

This paper explores why the recent economic crisis was not matched by an internationally-coordinated labour response. To this end, it reconstructs union policies at the European division of General Motors (GM), which is a critical case for union transnationalism in view of the strong cross-border links developed among its employees before the crisis. The evidence shows that in 2008-2009, GM unions did not coordinate their positions regarding the planned sale of GM’s Opel brand. The paper argues that the breakdown of union solidarity at the firm and the absence of labour’s joint crisis response in general were due to governments’ increased involvement in the economy during the downturn, which provided strategic alternatives to labour transnationalism at the national level.

Keywords

trade unions, crisis, labour transnationalism, state intervention, General Motors

Introduction

‘Europe needs to mobilise the power of acting together’, argued the European Trade Union Confederation in its resolution on EU anti-crisis policies, published in the wake of the 2008-2009 economic downturn (ETUC, 2008). Yet despite the call, ETUC found it hard to ensure unity within its own ranks. In an effort to shield their constituencies from crisis-related job cuts and restructuring measures, unions in Europe relied primarily on domestic remedies, even when their actions hurt their counterparts in other countries. Why then, as observed by Marginson (2010), did unions fail to counter the international dimension of the downturn with an internationally coordinated response?
In this paper, I address the above question by examining cross-border labour relations at the European division of General Motors (GM). GM is a critical case for labour transnationalism\(^1\) in view of the strong links developed among its employees before the crisis. Throughout most of the 2000s, the company’s European Works Council (EWC) bargained with the management over restructuring terms and formulated capacity-distribution proposals. In 2008-2009, however, GM unions did not coordinate their stances on the planned – but eventually not concluded – sale of GM’s Opel brand to a Canadian-Russian consortium Magna/ Sberbank. By examining reasons behind the failure of labour solidarity at the firm that had been considered ‘an outstanding example of cross-border trade union cooperation’ (Fetzer, 2008a: 289), I gain insights into a more general question regarding the absence of European unions’ coordinated crisis response.

I argue that unions’ failure to cooperate across borders in hard times was due to the subordinate position of labour transnationalism \textit{vis-à-vis} national strategies. Prior to the downturn, unions would ally with their foreign counterparts whenever they could not secure their goals through national channels. Cross-border networking was particularly important for workers at transnational corporations (TNCs), as it gave them an opportunity to boost their bargaining position against the management, and to challenge their firms’ ‘divide and rule’ strategies. Once the crisis broke out, however, West European governments’ increased involvement in the economy provided viable alternatives to transnational cooperation. Trade unions could secure jobs and future investments through state assistance and local deals with employers, and thus withdrew from cross-border initiatives. But such national-level measures had a temporary character and thus failed to exert a lasting influence on TNCs’ policies, making union constituencies vulnerable to post-crisis downsizing and austerity measures. Moreover, following the ‘national turn’ in union politics, it is hard for unions to rebuild mutual trust and confidence in the effectiveness of cross-border strategies, which does not bode well for the future of labour transnationalism in Europe.

GM unions’ positions on the planned Opel sale are reconstructed from press releases, union materials, and interviews with Polish and Belgian plant-level union leaders. To produce an account of pre-crisis developments, I use secondary literature, as well as insights from twenty-two interviews with GM plant-level employee representatives and sectoral union officials, which I conducted in 2007-2008 as part of a larger research project.

\(^1\) I use the terms ‘transnational/ cross-border union cooperation’ and ‘labour transnationalism’ interchangeably, referring to the pursuit of a common strategy in the area of product allocation, capacity sharing and collective bargaining, and joint cross-border protests.
The paper presents, first, the barriers to cross-border union activity posed by TNCs’ ‘divide and rule’ strategy, and GM workers’ attempts to resist managerial pressures. It then examines union stances during the 2008-2009 negotiations on Opel’s sale and explains some reasons for their failure to coordinate. Finally, it discusses the drawbacks of national anti-crisis responses and assesses the future prospects of labour transnationalism at GM and in Europe. Brief conclusions follow.

Inter-plant benchmarking and workers’ resistance

Political economy scholars have for a long time been pessimistic about prospects for cross-border labour cooperation, and not without reason: the dynamic growth of TNCs in the post-WWII period has not been accompanied by any equally impressive surge in cross-border union activity. The discrepancy between the extent of internationalisation of business and of trade unions has been largely due to the structural impediments to union action posed by the cross-border organisation of production, and the resulting power asymmetry in capital-labour relations.

According to Peoples and Sugden (1991), the establishment of manufacturing operations in different countries gives companies substantial bargaining leverage vis-à-vis their workforces. Two advantages to management are important in this respect. First, employees split across home and foreign locations rarely get involved in collective action. This reflects not only unions’ difficulty in setting up independent communication channels, but also their embeddedness in national political economic structures (Ebbinghaus and Visser, 1997; Streeck, 1997) and lack of linguistic and intercultural competences (Stirling and Tully, 2004; Klemm et al., 2011). In the absence of a unified workers’ front, the management has more freedom in shaping corporate employment and wage policies. Second, transnationally organised companies are capable of lowering costs by playing off individual production locations against each other. They might discipline militant and/or high-cost sites using disinvestment or relocation threats, which are credible given the presence of alternative plants. Alternatively, they can stage an internal bidding procedure and award new or additional capacities to the site offering the most substantive concessions.

In the late 20th century, product standardisation, market integration and structural problems related to growing overcapacities forced automotive companies operating in Europe to cut costs and improve efficiency (Mueller and Purcell, 1992; Eller-Braatz and Klebe,
To achieve these goals and keep social unrest to a minimum, carmakers would often use the above-outlined ‘divide and rule’ tactics. Already in the 1970s, Ford was reportedly double-sourcing components for the Fiesta model in order to discipline its UK and Spanish workforces and eliminate the risk of production disruptions, while Chrysler warned its British employees that it could leave for Japan or France if workplace conflicts in the UK continued (Peoples and Sugden, 1991). Twenty years later, BMW managed to extract significant concessions from Rover workers by threatening them to move production from the Longbridge site to Hungary (Bailey and de Ruyter, 2012). In some cases, relocation threats actually materialised: as argued by Coffey and Thornley (2010), Ford’s withdrawal from the UK in the early 2000s can be at least partially viewed as a punitive measure following management-worker tensions at its Dagenham plant.

At the same time, automotive producers started comparing their performance with that of their competitors in a search for ‘best practices’ and most efficient production processes. This contributed to the spread of so-called ‘lean production’ techniques, involving continuous improvement via active problem-solving, teamwork, rationalisation of the supply system and waste elimination, but also work intensification and managerial paternalism (Womack et al., 1990; Delbridge et al., 1995; Stewart et al., 2009). Benchmarking, however, more often than as a tool for inter-firm comparisons, was used as an internal control mechanism, applied to assess the productivity and cost performance of individual production sites, and to subsequently put pressure on those that were lagging behind (Sisson et al., 2003). Such ‘coercive comparisons’ were used at European car plants already in the 1980s, leading to the extension of machine-operation time and more flexible work organisation (Mueller and Purcell, 1992). Over time, the internal benchmarking practices were formalised, with companies concluding special agreements that offered plant-level employment and production guarantees in exchange for concessions in relation to wages, working time flexibility or work organisation (Zagelmeyer, 2000; Jürgens and Krzywdzinski, 2008). The impact of such accords reached beyond state boundaries, as the management would often present the agreed terms as minimum requirements for future investments to be followed by other locations, thus triggering a ‘race to the bottom’ involving all company’s subsidiaries (Hancké, 2000).

Though such company-steered plant rivalry indeed made labour transnationalism difficult, there had been, since the late 1990s, growing evidence of cross-border liaising among European autoworkers (Anner et al., 2006; Da Costa and Rehfeld, 2007; Fetzer, 2008b; Greer and Hauptmeier, 2008). Against this background, the European division of General Motors displayed exceptionally high levels of transnational union activism.
GM has been present in Europe since the interwar period, when it acquired the UK carmaker Vauxhall, headquartered in Luton, and opened an assembly plant in the Belgian city of Antwerp. In 1929, it purchased the Opel factory in Rüsselsheim, Germany. After WWII, the firm further expanded by establishing car assembly plants in Ellesmere Port (UK), Bochum (Germany), Zaragoza (Spain) and Azambuja (Portugal), together with component-producing facilities in Austria, Germany and France. Following the fall of communism, GM moved eastwards and launched car production in Eisenach (East Germany), Gliwice (Poland), Szentgotthárd (Hungary; later transformed into a component plant), Kaliningrad and Togliatti (Russia). In 1991, GM acquired the Swedish SAAB factory in Trollhättan which, in January 2010, it sold to Spyker, a Dutch luxury carmaker.

[Table 1 about here]

The company’s EWC, also known as the European Employee Forum (EEF), was created in 1996. The unions’ first concerted action took place in 2000 in defence of the wages and working conditions of 15,000 workers of the Fiat-GM joint venture. Pressure from the EEF led to the conclusion of an International Framework Agreement (IFA) which stipulated that the joint venture employees would be paid in line with GM standards and would be reemployed by the firm in the event of job shedding at the joint venture plants (Schäfer-Klug and Herber, 2002). In 2001 and 2004, GM announced major restructuring drives that involved personnel cuts at all its European sites except the Polish Gliwice (see Table 1 above). Thanks to EEF-led negotiations, however, subsequent company IFAs ruled out forced dismissals, and job-shedding burdens were distributed across plants in different countries in line with the ‘share the pain’ formula (Da Costa and Rehfeld, 2007; Banyuls et al., 2008). Parallel to the talks, the EEF would mobilise GM employees for joint protests against austerity measures and factory closures. During the so-called ‘European Action Day’ in defence of the Luton factory in 2000, for instance, 40,000 workers across Europe rallied to express their solidarity with the British colleagues. Even though the plant could not be saved, EEF-led negotiations led to the achievement of a socially sustainable solution – the transfer of

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2 In 2010, the EEF had 30 members representing GM’s car- and component-producing facilities located in the EU (Dehnen, 2010).
Luton workers to a nearby van plant (Greer and Hauptmeier, 2008). The EEF was also instrumental in attenuating inter-plant competition over new investments, which had intensified with the introduction of the so-called platform system and the launch of parallel production at multiple locations (Haipeter, 2006; cf. Table 1). In 2005, in view of the upcoming Opel Astra capacity distribution, employee representatives from the five factories of the Delta platform, Bochum (Germany), Ellesmere Port (UK), Trollhättan (Sweden), Antwerp (Belgium) and Gliwice (Poland), signed a solidarity pledge, refusing to hold separate talks with the management. They also rejected a list of concessions, stipulated as preconditions for the investment, which they labelled ‘a catalogue of horrors’ (Interview PG, 2007). When the firm did not assign new production to the Antwerp plant, in May 2007 GM unions staged information meetings and local protests against the company’s decision (Interview GR, 2007).

The EEF did not manage to fully eradicate rivalry among GM plants; it also found it difficult to reconcile East and West European unions’ positions on GM’s eastward expansion (Pulignano, 2006; Banyuls et al. 2008). Still, it is noteworthy that, throughout most of the 2000s, GM unions in Europe managed to sustain a unified position vis-à-vis the management despite persistent restructuring pressures. In particular, they refrained from entering local negotiations that would harm their counterparts at other locations, and jointly pushed for socially sustainable solutions for troubled sites. Their refusal to participate in the 2005-2007 benchmarking round forced the firm to scrap its plans to stimulate competition among the Delta plants, which was an unprecedented achievement of transnational labour cooperation. It was only with the outbreak of the recent economic crisis that the unified GM workers’ front began to falter. The next section shows that in 2008-2009 unions proved unwilling to ‘share the pain’ in the run-up to the planned sale of Opel to an external investor; instead, they sought to save domestic jobs, relying on local bargaining and state assistance.

**Union politics in hard times: GM and the Magna/ Sberbank bid**

After the collapse of the financial sector in late 2008, the automotive industry was among the first to run into trouble. Growing unemployment and constraints on consumer borrowing led to a sharp decrease in car sales in both Europe and North America. The plummeting demand was particularly harmful to two of the US ‘Big Three’ carmakers, GM and Chrysler, which had not yet recovered from the losses caused by major fuel price...
increases in 2007-2008 and the related consumer switch away from light trucks and SUVs (Klier, 2009). In December 2008, the two companies were granted US government loans but the assistance proved insufficient and, a few months later, they filed for bankruptcy protection and applied for additional resources to restructure their US operations (Klier and Rubenstein, 2012).

Parallel to the talks with the US government, GM sought to rescue Opel, its biggest European brand. In November 2008, the firm asked Germany, the country where nearly half of the 54,800-strong Opel workforce was employed, for a €1.5 billion short-term loan, arguing that without the financial input it would be forced to declare Opel’s insolvency. The loan was approved, but not without tensions within the German government. Although temporary nationalisation was ruled out almost from the outset, Economy Minister zu Guttenberg (CSU) favoured Opel’s ‘orderly’ bankruptcy, whereas Finance Minister Steinbrück (SPD) insisted on lending it financial support, declaring ‘high interest in maintaining employment at all four [i.e. German; emphasis added] Opel sites’ (Bloomberg, 2009a).

When it emerged that GM’s European operations could not be supported with US state loans, the carmaker announced its intention to sell a majority stake in Opel in exchange for European states’ assistance. In response, three companies submitted their offers. The Canada-based Magna, one of the world’s biggest automotive suppliers, demanded €4.5 billion in loan guarantees from Germany and other European countries hosting Opel factories, promising to invest €700 million into the brand in partnership with Sberbank, Russia’s largest savings bank. In addition, the Magna/ Sberbank consortium planned to develop an ‘industrial partnership’ (Bloomberg, 2009a) with a Russian carmaker OAO GAZ, which would assemble 180,000 Opel units per year at its Nizhny Novgorod site. The group planned to shed nearly 11,000 jobs across Europe, but only a quarter of the dismissals were to take place in Germany and all four German plants were to remain open. The second bidder, a Belgian investment company RHJ, requested €3.8 billion in loan guarantees, offering to invest €175 million. It also planned to cut approx. 10,000 jobs at Opel, close the Antwerp plant and idle production at the East German Eisenach factory. The third contender, Fiat, stepped down from the bid as it refused to make additional investments in the brand.

As a bridge-loan provider, Germany sought to exert influence on GM in regard to its choice of investor. Already before the restructuring deadline set by the US government, German officials had made it clear that they preferred the Canadian-Russian consortium. Even though Magna requested a considerably higher amount of public support than RHJ, the fact
that the planned job reductions were to take place mainly outside Germany tilted the scales in its favour. For the same reason, the Magna bid was supported by IG Metall, Germany’s largest metalworkers’ organisation. At the outset of the Opel crisis, regional union representatives, as well as Klaus Franz, the chair of Opel’s general works council and EEF head, asked the government to assist in saving the brand, while, later on, the union backed a ‘general strategic concept’ of the Magna takeover (IG Metall, 2009; IG Metall NRW, 2009). Their Belgian counterparts similarly sought to secure the Flemish government’s support for Antwerp (Reuters 2009a; Flanders Today 2009) and backed the expensive Magna deal, given that it offered better prospects for their factory. Rudi Kennes, the ABVV union leader at Opel Antwerp and EEF vice-chair, did not abstain from using ‘competitive’ rhetoric, stating that his site was cheaper and more productive than other company plants (Interview BA, 2008; Fetzer, 2008a: 229-230).

In view of the upcoming elections, the German government followed the imperative of saving German jobs and, in late May 2009, publicly announced its support for the Magna offer, agreeing to provide the €1.5 billion bridge loan and promising further financial assistance to the group. Consequently, GM signed a memorandum of understanding with Magna, which provided a basis for takeover talks. Outside Germany and Belgium, however, the assessments of the German involvement in the deal were clearly negative. UK Business Secretary Mandelson feared that excess capacity at Opel’s European sites might ‘involve change’ and lead to job shedding. Tony Woodley, a joint leader of a British and Irish Unite union, was more explicit in expressing his concerns, arguing that, as a result of the Magna deal, ‘the German plants will be saved and that just puts more pressure on everywhere else, […] including the UK’ (Mercopress, 2009). By the same token, Polish union officials were critical of the alleged political ties of their German counterparts. According to Solidarność’s deputy chair at the Gliwice plant, union solidarity developed among GM workers during earlier negotiation rounds ‘might be killed due to the intervention of politicians and their promises to preserve jobs’ (Interview PG, 2009). But the Poles’ stance was, in actual fact, also far from altruistic: they favoured Opel’s controlled bankruptcy, as the firm ‘would then have the right to maintain only the best, most profitable plants, and get rid of the worse [i.e. more expensive] ones’. Their tough position probably reflected the fact that Gliwice, which was the cheapest GM facility in Europe, lost nearly 800 workers in late 2008 and early 2009, i.e. at the time when West European sites were not threatened with major layoffs.
In the summer of 2009, GM continued negotiations with Magna and RHJ.\(^3\) During the talks, the latter improved its bid by lowering the ceiling of public support from €3.8 to €3.2 billion, and agreeing to invest €300 million rather than the initial €175 million. Even so, the German government, together with the country’s trade unions, continued to back the Canadian-Russian consortium. Chancellor Merkel declared that she would ‘personally intervene in support of Magna’s bid’ (Reuters, 2009b) and confirmed that she was ready to provide the company with a €4.5 billion loan. IG Metall Secretary General Huber went to Moscow and discussed the prospective deal with the Russian PM Putin, reportedly expressing ‘understanding’ for the plans to produce Opel in Russia (Deutsche Welle, 2009).

On 10 September 2009, the GM Board of Directors announced that the sale of Opel to Magna would be completed by the end of November. At the same time, the management revealed that, contrary to earlier promises, the new investor might close the Antwerp plant. On 23 September, the European Metalworkers’ Federation, together with the EEF, organised, at the Belgian site, a demonstration against job cuts at Opel, with the participation of 3,000 Belgian and German workers, as well as Spanish, British and Polish union officials. With the exception of this protest action, however, the EEF’s role was ‘less prominent than during earlier processes of Europe-wide restructuring’ (Fetzer, 2009): it failed to reach consensus regarding the preferred investor and thus did not coordinate the process of bargaining over job cuts and austerity measures. Consequently, union representatives launched separate negotiations with Magna, seeking to obtain the best possible conditions for locations situated in their countries. UK worker representatives safeguarded the future of the British factories until 2014 and reduced the number of dismissals from 1,200 to 600 thanks to a two-year wage freeze and pension reductions. In line with the Spanish concession deal, the Zaragoza plant was to remain open for at least ten more years, with only 900 jobs being cut, instead of 1,350. Only the Polish factory was left without explicit job and production guarantees. Frustrated Solidarność officials sent a letter to the Polish PM, labelling the firm’s conduct ‘unacceptable’, and viewing it as proof of ‘an unfair distribution of restructuring burdens at Opel’ (WNP, 2009a).

Parallel to local concession agreements, governments stepped in to prevent the Magna takeover. In late September 2009, the UK Business Secretary, supported by Spain, Hungary and Belgium, urged EU Competition Commissioner Neelie Kroes to investigate whether Germany had broken EU state aid regulations by openly favouring Magna and implicitly tying\(^3\) A Chinese car producer BAIC was briefly considered as a potential Opel buyer but was not included in the final round of talks.
its financial assistance to the choice of this particular investor – the move that *The Economist* (2009) had described as ‘the worst of several options in terms of industrial logic’. In late October, Kroes questioned the Magna deal, criticising Berlin’s conditionality policy and voicing doubts over its economic rationale. In response, the leader of the CDU/CSU MEPs accused the Commissioner of not being objective, while German government spokesman Wilhelm stated that there was ‘no need to question decisions that had already been taken’ (*EU Business*, 2009).

The delay caused by the Commission’s inquiry, however, allowed for a dramatic turnabout in the Opel case: on 4 November, GM announced that it had reconsidered its decision to sell the brand and would instead restructure it on its own. A few days after the statement, the company published a blueprint of its recuperation plan. It intended to return the German government’s loan and ‘fix’ Opel on the basis of its own resources totalling €3 billion. It also planned to cut Opel’s operational costs by 30%, shed 10,000 jobs, and close up to three plants, possibly including Antwerp and Eisenach.

Even though the extent of job shedding envisaged by GM was close to that planned by Magna, the Americans’ sudden change of mind and the lack of guarantees for German workers infuriated German politicians. Kurt Beck, the President of Rheinland-Palatinate where the Kaiserslautern component factory was located, stated that he had been ‘rarely so angry and disappointed in his life’ (*Spiegel*, 2009), while Economy Minister Brüderle regarded the decision as ‘entirely unacceptable’ (*Bloomberg*, 2009b). Even greater anger was expressed by German unionists. Franz labelled 4 November ‘the black day for Opel’ (ibid.); he also ruled out further concessions on the workers’ side. On 5 November, nearly 5,000 workers in Rüsselsheim and 3,000 in Bochum went out in protest against the dismissals, waving banners urging GM to ‘get lost’ (*Spiegel*, 2009). Strikes were also organised at the Antwerp factory, under serious threat of closure.

The German stakeholders’ anger was in stark contrast to the reactions of governments and workers in other countries where GM’s refusal to sell Opel was interpreted as a reassurance that restructuring burdens would be distributed among all the European plants, and not only those located outside Germany. In the UK, *Unite’s* joint General Secretary Woodley described the news as ‘fantastic’, while Business Secretary Mandelson called it ‘a pleasant surprise’ for Vauxhall workers (*Bloomberg*, 2009b). At the Polish site, workers and unionists also breathed a ‘sigh of relief’ (*Gazeta Wyborcza*, 2009): according to *Solidarność*, the Gliwice factory ‘was back into play’ as ‘economics, not politics would matter’ in the company’s decision-making. As noted by Poland’s Economy Minister Pawlak, GM’s decision
to stay involved in Opel offered ‘significantly better’ prospects for the Polish site than the Magna takeover (Bloomberg, 2009b). Spanish unions’ reactions were more balanced given that, at the moment when GM decided not to sell Opel, they had just finished their negotiations with Magna over production guarantees for the Zaragoza plant. Spain’s government, by contrast, was more positive about the preservation of the status quo.

Transnational cooperation vs. national solutions

Before the crisis, GM unions had often been confronted with their employer’s ‘reward-and-punish tactics’ (Mueller and Purcell, 1992: 30) and large-scale restructuring threats. In view of their earlier cooperation experience, it was reasonable to expect that they would also coordinate their stances during the Opel sale negotiations and make sure that austerity measures would not affect only selected sites. Even in this ‘most-likely’ cooperation scenario, however, particularistic interests prevailed. What made GM employee representatives steer away from the cooperation course?

To answer this question, it is necessary to take a step back and examine the conditions under which labour transnationalism at TNCs had emerged before the downturn. As noted by Jessop et al. (1986), boom periods coincide with decreasing levels of government intervention: with economic figures on the rise, there seems to be less need to ‘mess up’ the market mechanism. When state assistance is limited, however, workers are more vulnerable to management’s pressures, and exposed to a higher extent to their companies’ ‘divide and rule’ tactics outlined in the previous section. It was in an effort to attenuate the resulting inter-site rivalry that unions had first launched cooperative links with their foreign counterparts. At GM, such cross-border alliances among West European employee representatives took the form of ‘risk communities’ (Fetzer, 2008a: 289). Since none of the plants enjoyed a very significant labour cost advantage or privileged access to the company’s Swiss-based headquarters\(^4\), all locations faced the risk of job cuts and downsizing, which prompted the creation of a unified labour front. In the East-West European context, production and employment prospects were still better for the cheaper CEE factories. In such a case, labour transnationalism involved an exchange of benefits between unions from old and new EU member states, with the Easterners vowing not to underbid their Western counterparts during

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\(^4\) Since the creation of GM Europe in 1986, its headquarters had been located in Zurich, Switzerland. Only in late 2009 were the Opel headquarters separated and moved to Rüsselsheim.
upcoming investment distribution rounds in exchange for organisational assistance (Bernaciak, 2010). Differences in cooperation mechanisms notwithstanding, in both settings unions engaged in cross-border initiatives to cater for the interests of their own constituencies, viewing this as the second-best solution in the absence of national alternatives.

The situation changed in 2008. In view of firms’ falling profits, West European states stepped in to rescue domestic jobs by supporting local companies and TNC subsidiaries located within their boundaries. Their increased involvement in the economy averted unions’ attention from transnational cooperation, as jobs and future investments could be secured thanks to government intervention and/or state-seconded deals with the employers. From labour’s point of view, national-level solutions seemed more attractive than cross-border exchanges. First, state assistance offered certain and immediate gains, while the success of cross-border union negotiations could not be taken for granted. Secondly, in the case of cross-border bargaining, there was a risk that one of the national employee representations would defect and seek to secure jobs and investments at their facility through local concessions. Such a move would be highly detrimental to other factories given that, during the crisis, unions did not merely seek to win a fair share in the new investment but fought for the very survival of their locations. As a result, even unions with positive cross-border cooperation experience failed to coordinate their actions, insofar as strategic ‘windows of opportunity’ had opened up at the national level. Those who had not yet been involved in transnational exchanges, on the other hand, received reassurance that the quest for government support remained an effective job protection tactic.

Beyond the GM case, the 2008-2010 downturn prompted multiple instances of state intervention. These ranged from direct bailouts and loan guarantees to support for Strategic Investments Funds in countries as diverse as the UK and France. Access to government rescue funds was often conditional upon meeting certain requirements, such as maintaining pre-crisis employment levels or locating future investments at the company’s domestic facilities. In the past, TNCs would often fail to comply with the agreed provisions, not least due to inadequate government supervision of the situation (cf. Bailey and de Ruyter, 2012), but such conditionality could be expected to be stricter at the time of crisis, when state funds are limited and public scrutiny of TNCs’ behaviour more careful. The French toy producer Meccano, for instance, moved part of its production from its Chinese facilities back to France, following a €2.2 million state fund investment that helped it steer its way through the crisis. In light of President Sarkozy’s statements urging French firms to ‘stop out-sourcing and if possible in-source’ automotive production back to France (JustAuto, 2009), it is likely that the
firm’s decision was induced by state pressure. Similarly, the Italian government made Fiat increase production at the company’s home plants. As a part of a €700 million plan to increase capacity utilisation at its Pomigliano D’Arco site, the firm launched the production of a new Fiat Panda in Italy rather than at the Polish Tychy site, despite the latter’s significant cost advantages. State interventions of this kind would usually gain the approval of local unions, which were ready to offer additional concessions to save their members’ jobs. The Panda relocation deal, for example, was signed by Italy’s three main labour confederations and accompanied by an agreement increasing working time flexibility at Pomigliano D’Arco.

Yet the effectiveness and sustainability of interventionist crisis responses remains questionable for at least two reasons. Firstly, measures taken by individual European governments had an ad-hoc character, being aimed primarily at ‘patching up the old system’ (Baccaro, 2010: 342) and saving particular production locations, rather than offering a viable alternative to the EU’s dominant policy course of deregulation and liberalisation. Moreover, even though they catered to the interests of domestic workers, such measures rarely took the form of explicit state-labour alliances. As a result, it can be expected that, once companies chase away the spectre of bankruptcy and improve their balance sheets, states will pull back and leave the market mechanisms to ‘do the job’, making employees vulnerable to post-crisis restructuring measures. There is also little hope that, at the policy-making level, governments will engage in strategic exchanges with labour representatives and adopt more lasting and employee-friendly solutions. The recent austerity drive in Europe seems to confirm these pessimistic conclusions.

Secondly, the solutions presented above remained limited to old EU member states. Even though CEE countries were hard hit by the crisis, their governments refrained from intervening in corporate affairs and kept employee influence on anti-crisis policies at a minimum. In some countries, such as Poland and Bulgaria, unions did participate in tripartite discussions on recovery measures, but their proposals were eventually dismissed (Bernaciak, 2013). Similarly, car scrappage schemes designed to boost sales of new vehicles were introduced only in Slovakia and Romania, and, even in these two cases, financial incentives for potential buyers were much more modest than those offered in Western Europe. To an extent, CEE governments’ policy in hard times was consistent with their earlier developmental strategy. Since the early 1990s, postcommunist states had sought to boost foreign direct investments through economic incentives and legislative mechanisms that provided for a high level of external labour market flexibility. This approach was particularly successful in the Visegrád countries (i.e. Poland, the Czech Republic, Slovakia and Hungary),
where steady investment inflows stimulated industrial upgrading and job creation. When the demand fell in 2008, however, companies were again given a free hand in dealing with personnel adjustments and, in effect, the extent of crisis-related layoffs in manufacturing sectors was much higher in new than in old EU member states (Bernaciak and Šćepanović, 2010).

After the ‘national turn’ in union politics, it also proved hard for employee representatives to rebuild the mutual trust necessary to pursue a cross-border cooperation agenda. At GM, unions briefly came back to the joint bargaining table. In August 2010, the EEF approved the so-called ‘Plan for the Future’, which laid out the details of the Europe-wide restructuring process and repeated the concessions made by individual plant representations during their autumn 2009 negotiations with Magna. However, unions parted ways in spring 2012 when Gliwice, Rüsselsheim and Ellesmere Port were singled out by the management as potential production locations of the new Opel Astra, planned for 2015-2020. The EEF argued that all three sites should be assigned the model, but the Polish employee representatives contested the proposal, stating that ‘experience shows that it does not guarantee production and employment stability’ because in the end, capacities ‘are too low for everyone’ (Solidarnosc Opel 2012). Similarly, British union officers chose to hold separate negotiations with the company and, in July 2012, they signed a deal that secured the arrival of the new model in Ellesmere Port, created a third shift at the plant, and raised local component content to 25%. On the flipside, unions accepted a two-year pay freeze, lower wages for newly employed workers, a longer working week, as well as increased working time flexibility. GM’s subsequent decision to concentrate Astra production in Poland and the UK put in question the future existence of the Bochum plant when it emerged that its entire Zafira production could be relocated to the underutilised Rüsselsheim site. Even though the company prolonged its guarantees for the German plants from 2015 to 2017, beyond this date Bochum’s prospects remain gloomy. In view of Opel’s persistent financial problems, other locations might also be confronted with disinvestment threats, but it is rather unlikely that their workforces will come up with transnationally coordinated solutions. All in all, it seems that, in the post-crisis period, the GM management has gained the upper hand with its ‘divide and rule’ strategy.
Conclusions

This paper set out to establish why the hardships associated with the 2008-2010 crisis were not countered by an internationally coordinated labour response. To this end, it examined union strategies at General Motors, which is a critical case for union transnationalism given the strong cross-border links developed among its employees during earlier restructuring drives. Contrary to recent optimistic assessments of the case (Dehnen, 2010; Greer and Hauptmeier, 2012), the evidence from the late 2000s was rather disillusioning. In the course of negotiations on the sale of Opel, employee representatives at GM supported bidders offering the most favourable conditions for their own plants, irrespective of the welfare of their colleagues abroad and the company as a whole. In this way, they defied the spirit of international labour solidarity.

The paper sought to understand the reasons underlying the GM unions’ failure to cooperate, and the lack of a coordinated crisis response on the labour side in general, by pointing to the strategic alternatives to cross-border liaising that were emerging at the national level. It has thus been argued here that it was the increased readiness of West European states to assist domestic companies and TNC subsidiaries located on their territory that turned labour’s attention away from transnational solutions. The study has, accordingly, demonstrated that, even in ‘most-likely’ cooperation cases, local economic interests and the availability of national strategies still delineate the extent of unions’ engagement in cross-border liaising. The latter claim might not be new in itself, but the evidence from the GM case testifies to its continuing relevance to the debate on the possibilities and limits of cross-border union cooperation in Europe.

Finally, the article highlighted the ad-hoc character and geographically limited scope of West-European anti-crisis solutions, as well as the lack of political will to push for policy alternatives. In view of these drawbacks, it seems that trade unions nowadays have no strategic alternative to cross-border liaison, even though it may well be difficult for them to return to the path of cooperation.
References


http://motoryzacja.wnp.pl/tresc-listu-solidarnosci-w-oplu-do-rzadu-rp.92467_1_0_0.html (8/2/2012).

WNP (2009b) ‘OPZZ nie akceptuje dwóch ustaw z pakietu antykryzysowego’,


Table 1. Opel model specification (per plant), output levels and employment figures (per country) in 2000, 2006 and 2011.

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<thead>
<tr>
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<tbody>
<tr>
<td>Belgium</td>
<td>Astra, Astra TwinTop (Antwerp plant closed)</td>
<td>329,300 224,133</td>
<td>6,500 4,764 (+Lux)</td>
</tr>
<tr>
<td>Germany</td>
<td>R: Vectra, Omega, Catera; B: Astra, Zafira; E: Corsa, Astra</td>
<td>692,900 516,570 442,059</td>
<td>41,800 27,226 22,166</td>
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<tr>
<td>Poland</td>
<td>W: Vectra; G: Astra, Agila</td>
<td>99,200 117,153 174,030</td>
<td>2,100 3,670 3,523</td>
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<tr>
<td>Portugal</td>
<td>Corsa, Corsa Van, Combo</td>
<td>52,500 72,964</td>
<td>1,100 1,148 (1half)</td>
</tr>
<tr>
<td>Spain</td>
<td>Corsa, Tigra</td>
<td>373,600 377,562 365,419</td>
<td>8,700 7,625 6,171</td>
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<td>Sweden</td>
<td>Saab 9-3, Saab 9-5</td>
<td>114,100 110,541</td>
<td>8,600 5,802</td>
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<tr>
<td>UK</td>
<td>EP: Astra; L: Vectra, Frontera, Vivaro</td>
<td>317,300 236,607 207,961</td>
<td>11,000 5,246 4,029</td>
</tr>
</tbody>
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