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Transnational negotiations and the Europeanization of industrial relations: Potential and obstacles

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Abstract
The increasing number of transnational agreements signed in recent years at the EU-company level suggests a form of Europeanization of industrial relations, as these agreements constitute a formal recognition of social dialogue across national borders. However, empirical results based on a multi-level research about the experiences with these agreements in the metal sector offer a more complex picture. The strategies of the actors at European, national and local levels, and more importantly the degree and type of their coordination, are crucial to understanding the processes and mechanisms which encourage or prevent the emergence of cross-national negotiations at company level.

Keywords
European Works Councils, Europeanization, framework agreements, industrial relations, metal sector, unions

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Introduction

Transnational framework agreements (TFAs) signed in recent years, in increasing numbers, are widely perceived as a qualitatively new instrument of cross-national industrial relations, contributing to the internationalization of industrial relations. More specifically, European framework agreements (EFAs) are seen as enhancing and protecting workers’ interests, particularly in situations of crisis, via negotiation processes often initiated by European Works Councils (EWCs) but increasingly led by European Trade Union Federations (ETUFs).

The existing literature, however, rightly points out factors hampering the negotiation of EFAs, notably the lack of a legal framework at the European level (Lo Faro and Sobczak, this issue). Though important, we think this can only partly explain the evolution of European-level negotiations; we argue that analysis should be complemented by examining the strategies followed by the actors which either hinder or promote the development of bargaining activities at the European-company level. Specifically, this means analysing the interests of management, trade unions and employee representatives at company, national and European levels to engage (or not) in European negotiations, as well as the way in which these various interests are coordinated.

We use a multi-level research design to explore how far the social actors’ strategies at the national and local levels interact and how they relate to European-level developments. We examine experience in the metal sector, mainly using materials collected through semi-structured interviews and documents in Belgium, France, Germany, Italy and the UK.

The potential for transnational company agreements in Europe

Articles 154 and 155 of the EU Treaty establish procedures through which the social partners recognized at cross-industry level are consulted or can initiate negotiations on matters within their responsibility (Alès et al., 2006; Dorssemont, 2003; Even, 2008). At sectoral level, a number of employers’ associations and EIFs are recognized for each of the 36 sectoral social dialogue committees currently established (Dufresne et al., 2006; Pochet et al., 2009). In contrast, there is no European legislation on social dialogue at company level, except for information and consultation (EWC and Information and Consultation Directives). The European Commission declared its intention to provide an ‘optional framework’ at company level in its Social Agenda 2005–2010, and appointed a group of experts which issued a report favouring such a framework (Alès et al., 2006). Subsequently, a second group of experts studied the question from the perspective of international private law and issued its report in 2009 (van Hoek and Hendrickx, 2009).

Yet despite the lack of EU legislation – not to mention the absence of a right to strike at the EU level – industrial relations activity has become dynamic at company level, with an increasing number of transnational agreements signed in the past decade. Some of the reasons can be found in several attempts made by the Commission, from the 1970s on, to promote the representation of employees in European multinationals. After years of debate, the EWC Directive was finally adopted in 1994. The negotiations to set up EWCs stimulated considerable experience with transnational negotiation. Although we do not
include these agreements in our notion of EFAs, they can be seen as formative experiences. In the metal sector, the European Metalworkers’ Federation (EMF) played an important role in negotiating the agreements to set up EWCs. It continued to follow the activities of the EWCs it helped to set up, placing an EMF coordinator in each of them, generally a union officer from the majority union of the company headquarters (see also Dufresne, this issue). Some EWCs have evolved from information and consultation to the negotiation of EFAs and sometimes even international framework agreements (IFAs). More generally they have contributed significantly to the development of TFAs, the majority of which have been signed with transnational companies (TNCs) headquartered in Europe (Telljohann et al., 2009b). The initiatives and the involvement of EWCs, in coordination with the strategies of trade union organisations at national, European and global levels, have thus fostered transnational social dialogue at company level.

Transnational agreements have been increasing since 2000, as shown in Table 1. The European Commission (2008) established an inventory of transnational company agreements signed up to the end of 2007, dividing over 140 texts into ‘European’, ‘global’ and ‘mixed’ agreements. In a report for the European Foundation, Telljohann et al. (2009a) made a somewhat different classification, considering a text as an IFA when it has a global reach and is signed by a Global Union Federation (GUF); all others were classed as EFAs. On this basis they identified 68 IFAs and 73 EFAs signed up to June 2008; 13 percent of the latter claimed a global scope. European Works Councils (EWCs) have signed the majority of EFAs. We will here use the same definitions as that report. The number of EFAs is almost certainly an underestimate, because no EU-level agency compiles these agreements.

IFAs focus mainly on the fundamental rights of workers, including the ILO core labour standards, but also increasingly deal with other issues such as health and safety. The majority have been signed with companies based in Europe, especially in Germany and France. EFAs are more heterogeneous than IFAs both in terms of procedure and content. They cover a greater variety of subjects, such as social dialogue, health and safety, human resources, data protection and human rights. However, the main topic of over a third of EFAs is restructuring (da Costa and Rehfeldt, 2011).

In order to understand the motivations of the different actors, the actual content of the negotiations and the networks between workers and trade unions from national to transnational level, we must go beyond the texts and see the problems posed by the negotiation and signature of these agreements. We will do so through the analysis of experiences in the European metal sector which played a pioneering role in this field (see Dufresne, this issue).

Table 1. Number of IFAs and EFAs signed by periods

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<tr>
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<tbody>
<tr>
<td>IFA</td>
<td>4</td>
<td>5</td>
<td>33</td>
<td>26</td>
</tr>
<tr>
<td>EFA</td>
<td>f</td>
<td>8</td>
<td>43</td>
<td>24</td>
</tr>
</tbody>
</table>

Source: Telljohann et al. (2009a).
The European Metalworkers’ Federation (EMF) has signed a number of transnational agreements, many but not all of which can be found through the EMF/Eucob@n site containing agreements with over 20 companies. Most of these cover corporate social responsibility (CSR), codes of conduct or human rights; we class these as IFAs because they have also been signed by the International Metalworkers’ Federation (IMF). Other agreements, as at Thyssen-Krupp, have only been signed by the company EWC, so we classify them as EFAs, though like IFAs they focus on fundamental rights albeit with an application restricted to Europe. Their reach and meaning is however quite different from the substantive agreements we want to analyse here and which have been signed with 10 companies on themes other than CSR or fundamental rights. The first set of these agreements involved restructuring in automobiles and these then spread and diversified to other sectors.

The pioneering agreements in the automobile sector

In January 2000 the Ford EWC signed the first European-level agreement in the sector. The aim was to protect Ford workers whose jobs were externalized to Visteon, so that their new employment contracts would provide the same conditions as at Ford for the duration of their employment in Visteon, including seniority and pension rights. This was the first substantial agreement negotiated with a transnational corporation (TNC) at European level. Similar European agreements were subsequently signed for Getrag Ford Transmissions (GFT) in 2000, International Operations Synergies (IOS) in 2004 and on restructuring in 2006. The Ford EWC functions on the basis of an internal mandate, and these agreements did not formally involve the EMF. A memorandum of understanding in 2000 and the revision of the EWC internal rules in 2002 clarified the conditions for bargaining at European and national levels: the external trade union organizations intervene only as national experts (German or British); the German expert is the EMF coordinator. The Ford Europe agreements deal with substantive questions such as job security and working conditions and were signed without industrial conflict. Nevertheless, in the major restructuring of 2009 the three Visteon UK facilities were closed without specific guarantees as to redundancy or pension rights. After several weeks of sit-ins and a campaign led by the union UNITE, a settlement was reached with Ford and Visteon at national level including notice pay, a lump sum and full Ford redundancy entitlements (da Costa and Rehfeldt, 2010, 2011). The legally complex pension issue, however, remains unresolved at the time of writing.

The first European agreement between General Motors Europe (GME) and the EWC was signed in May 2000, protecting GME employees transferred to joint ventures of General Motors (GM) and Fiat. It was negotiated in cooperation with IG Metall, on behalf of the EMF, and was coordinated with the Fiat EWC. The subsequent agreements, signed at GME in 2001, 2004, 2008 and 2010 are the most significant restructuring agreements signed with a TNC at European level, as in theory they protect all the company employees in Europe. After years of restructuring negotiated at local level, with plants being pitted against each other, the EWC progressively adopted a coordinated solidaristic strategy (da Costa and Rehfeldt, 2007, 2010, 2011; Herber and Schäfer-Klug, 2002; Pulignano, 2006). Sometimes described as ‘sharing the pain’, this was based on
three principles: no plant closures; no forced redundancies; systematic search for negotiated and socially responsible alternatives. This strategy has involved both Europe-wide mobilization and transnational negotiation. Particularly in 2001, 2004 and 2006, up to 50,000 GM workers throughout the sites in Europe took part in common strikes or ‘action days’ against plant closures. In 2004, the EMF established a European trade union coordination group comprising members of its secretariat, representatives of national unions and members of the EWC. This experience became one of the bases for EMF strategy towards socially responsible restructuring.

Furthermore, the GM EWC sought an input in the choice of production sites for the new generation of the Astra/Zafira (Delta platform) model. A Joint Delta Working Group was organized to negotiate a fair distribution of car volumes allowing for the survival of all the plants. The EWC, the national unions and local representatives of the Delta Group plants signed a ‘European Solidarity Pledge’ in April 2008 demanding a European agreement. In addition, GME signed another EFA in 2008 guaranteeing information and consultation on outsourcing and that transfers of employees to suppliers would only occur on a voluntary basis. After the car sales crisis in the autumn 2008, another EFA was signed on January 2009, reducing working time to avoid economic redundancies. GM Europe management however withdrew from this agreement in May 2009, after the GM crisis in the USA.

The EWC chair and the CEO of GME tried to devise a plan to make the European operations independent of the US headquarters and to avoid plant closures and forced redundancies. But in November 2009, GM, now bailed out and with a majority of shares owned by the US Department of the Treasury, announced that it would not sell its European subsidiary Opel/Vauxhall, as GME is now called. In January 2010, Opel/Vauxhall management presented a new restructuring plan including 8300 job losses in Europe and the closure of the Antwerp plant (2600 workers). In April, the Belgian trade unions and the management of Opel Antwerp agreed a ‘social plan’, based on anticipated retirements and voluntary departures. A tripartite restructuring group set up by the Flemish government to find investors was given until December 2010, otherwise the plant would shut down. On 21 May, another EFA was signed called ‘Opel Plan for the Future’, confirming the job and wage reductions but excluding collective redundancies until 2014 (da Costa and Rehfeldt, 2011).

The EFAs signed with GME remain examples of transnational solidarity aiming for socially responsible restructuring. The EWC, the national unions and the EMF have managed to preserve solidarity through very difficult times during which opportunities to resort to national strategies were manifold. ‘Sharing the pain’ proved a successful strategy even though there have been tensions and setbacks. Some employee representatives, in particular in the British and Spanish plants during the 2009 crisis, were tempted to give priority to national bargaining (Rehfeldt, 2010), but in the end all joined the search for a common European agreement, which was then implemented at the national level.

Following the examples of Ford and GM, the Daimler EWC has also negotiated EFAs during recent restructuring. In 2006, after the separation of Daimler and Chrysler, two EFAs were signed, one on information and the consultation, the other on the adjustment of levels of employment. The latter came after the management announcement of
a reduction in the number of jobs, particularly affecting white-collar workers. In 2007, another EFA was signed, on the adaptation of the European sales organization, also resulting from the separation of Daimler and Chrysler. About 400 employees were transferred to other companies in the group, avoiding involuntary transfers; the employees concerned received a welcome bonus. Thanks to this agreement, the bonus now applies at the European level and not just in Germany. These three agreements were signed on the employee side by the EWC and by a representative of IG Metall on behalf of the EMF.

Altogether these three automobile companies have signed 18 significant European agreements, as can be seen from Table 2. The specificities of the sector have been analyzed elsewhere (da Costa and Rehfeldt, 2007, 2010, 2011; Pulignano, 2007). What is important to note here is that the experiences in motor vehicles, with their successes and shortcomings, have been widely discussed by European unions and EWCs and have contributed to the evolution of EMF strategy concerning restructuring; and this strategy has in turn influenced or served as a model for the strategies of ETUFs in other sectors.

**Broader metal industry trends**

The EMF developed its trade union coordination strategy in the context of cross-border restructuring processes as a result of the EFAs it had previously signed, particularly after the 2004 GME restructuring experience, and also as a result of internal debates (see Dufresne, this issue). Among the 10 principles which, according to the EMF, should be applied in the context of cross-border restructuring, one concerns the full compliance with information and consultation rights, including the demand for extraordinary EWC meetings. Moreover, ‘no negotiation at national level or within one company will be concluded before having informed and consulted with the colleagues concerned at European level’ (EMF, 2005: 4). Another principle consists in setting up a European coordination group to elaborate a platform of common demands, promoting European-level negotiations and organizing cross-border actions. Furthermore, any strategy agreed and any decision taken at European level should be binding for all the actors concerned and implemented at national level.

Negotiating EFAs was a way to widen the scope of the cross-border coordination of collective bargaining in the metal sector in the absence of a legal framework for transnational collective bargaining in Europe (Pulignano, 2010). The EMF (2006) further adopted a set of rules to be followed in case of company-level transnational negotiations within TNCs, as a response to the increased negotiation activities of EWCs (Telljohann et al., 2009a). The EMF also needed to define the conditions and to establish the rules under which to receive a mandate from the different national unions to negotiate at this level. These rules contributed to its strategy to develop a binding framework for transnational collective bargaining in Europe, in which the national unions would play a central role. The mandate to negotiate at the European company-level is to be decided on a case-by-case basis and preferably given unanimously by the national affiliates, which must also approve the signed agreement and specify its implementation in the diverse national settings in cooperation with the EWC. The EMF Secretariat is to sign the agreement and pass on to the Executive Committee and the relevant Policy Committees information.
**Table 2. European framework agreements in the metal industry**

<table>
<thead>
<tr>
<th>Company</th>
<th>Country (HQ)</th>
<th>Sub-sector</th>
<th>Themes</th>
<th>Employee-side signatory</th>
<th>Date</th>
</tr>
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<tbody>
<tr>
<td>Alstom</td>
<td>France</td>
<td>Steel</td>
<td>Anticipation of change, Health and safety</td>
<td>EMF</td>
<td>2011</td>
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<tr>
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<td>Luxembourg</td>
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<td>EWC</td>
<td>2002</td>
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<td>Arcelor</td>
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<td></td>
<td>Health and safety</td>
<td>EWC</td>
<td>2004</td>
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<td>ArcelorMittal</td>
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<td></td>
<td>Restructuring, anticipating of change</td>
<td>EMF, IMF, USW</td>
<td>2008</td>
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<td>2009</td>
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<td>France</td>
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<td>Equal opportunities, Equal opportunities</td>
<td>EMF</td>
<td>2006</td>
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<td>Occupations and competences forecast</td>
<td>EMF</td>
<td>2010</td>
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<td></td>
<td>EMF</td>
<td>2011</td>
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<td>Daimler</td>
<td>Germany</td>
<td>Automobile</td>
<td>Information and consultation, Restructuring</td>
<td>EWC, EMF</td>
<td>2006</td>
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<td>Restructuring and off-shoring</td>
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<td>2010</td>
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<td>Transnational negotiation procedure</td>
<td>EWC, ENG</td>
<td>2011</td>
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<td>Restructuring and off-shoring</td>
<td>EWC</td>
<td>2007</td>
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<td>Profit-sharing</td>
<td>EWC, EMF</td>
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<td>Ford Europe</td>
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<td>Automobile</td>
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<td>IOS</td>
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<td>EWC</td>
<td>2004</td>
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<td>2006</td>
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<td>General Motors</td>
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<td>Astra (Delta)</td>
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<td>EWC, EMF</td>
<td>2008</td>
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<td>Reduction of working time</td>
<td>EWC, EMF</td>
<td>2008</td>
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<td>Antwerp</td>
<td>EWC, EMF</td>
<td>2009</td>
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<td>2010</td>
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<td>Electrical equipment</td>
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<td>EMF</td>
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<td>2010</td>
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about the negotiation process and the outcome of the agreement. The agreements we now analyse show how this evolution of the EMF strategy has been put into practice. We argue that understanding the social actors’ strategies at the European, national and local levels and, more importantly their degree of coordination, is crucial in order to assess the extent to which cross-national negotiation at the company level has been possible or not.

Restructuring was the main – and almost exclusive – topic of the motor industry EFAs. As Table 2 shows, this theme is also important in the other metal sectors and demonstrates a strategic willingness in the majority of the companies listed to negotiate change in advance. The other main themes are: health and safety, negotiated with ArcelorMittal, very important in the steel sector; equal opportunities, the object of a pioneering European agreement negotiated with Areva; occupational development, negotiated both at Areva and Thales; and a profit-sharing plan as well as specific procedures for negotiating at the European level at EADS. Except for the earlier Arcelor agreements, all were signed after the adoption of the internal EMF procedure for negotiation at TNC level. The EMF, in accordance with the procedure, is the signatory to all the agreements, with the exception of EADS (of which more below).

The predominance of French companies is striking, and has certainly facilitated compliance with the EMF procedure. Our interviews with unions and management in these companies (da Costa and Rehfeldt, 2010, 2011) reveal that both parties are in general comfortable with the EMF being the signatory, as they perceive the European level as a supplementary level of industrial relations with a recognized sectoral union actor. This is very congruent with the French industrial relations system, which gives unions a legal monopoly for collective bargaining at all levels and provides for articulation between the levels of bargaining, either through no-detriment provisions or at least giving sectoral trade unions control over any concessions made at company level. Even though these new transnational agreements are representative of a tendency in EFAs to shift the signature from the EWCs to the EMF, not all the French actors were aware of breaking new ground in terms of trade union recognition; they were more pragmatically concerned with addressing issues that in each case seemed important to them, and aware of innovating in that respect. It is important to note that in large French TNCs, all EWC members are likely to be union members who work in cooperation with their unions and their ETUFs, in this case the EMF. When negotiations for the EFAs listed in Table 2 were initiated by the EWCs and/or the national unions, they respected the new EMF procedure and asked for an EMF representative to participate. When negotiations were initiated by management, the advantage sometimes mentioned in our interviews was to have one social partner mandated by all the employee representatives, coordinating the possibly different opinions or suggestions beforehand and speaking with one voice for all the employee parties involved.

As with the previous automobile agreements, almost all these other metal agreements are substantive, dealing with important issues in a detailed and socially responsible manner, generally including regular evaluations. Whereas some IFAs and EFAs are one- or two-page declarations of intent with little provision for follow-up, such is not the case here. However, these agreements are all recent and distinctive. It remains to be seen if they will be trend-setters in their own sub-sectors, or if they are the result of a specific French industrial relations subculture.
The agreement signed in 2010 by the EADS Group with delegates of French, British, German and Spanish unions, illustrates an alternative to signature by the EMF alone. It establishes a procedure for negotiations at European level, creating a European Negotiating Group (ENG) including representatives of unions from the countries involved in the negotiation and represented in the EWC, the two chairs of the EWC and a representative of the EMF participating as coordinator and advisor. This agreement was signed after the recast of the EWC directive, which now requires notification of the European social partners before negotiations and provides a right to involve trade union representatives. In 2011 an ENG convened according to the new procedure signed an EFA on profit-sharing at EADS.

Thus autonomous metal industry agreements have contributed to the development of social dialogue, improving conditions, keeping plants open and saving thousands of jobs across Europe. If the experiences are considered as successful by the parties involved, then transnational negotiations at the European level are likely to continue. Although most of these EFAs have been rather consensual, it must nevertheless be noted that such was not always the case, since at GME, for example, it took several European ‘days of action’ (as industrial action is termed at EU level, where there is no recognized right to strike) for agreements to be signed. In other cases, to which we now turn, no agreement was ever reached.

**Obstacles to the Europeanization of industrial relations**

All the cases analysed above were representative of successful transnational coordination, but this is not at all the rule in European-level industrial relations. Suffice it to recall that EWCs vary significantly in how they function. Most often the information procedures do not allow for truly informed debate; several studies show that most EWCs have a limited impact on company decisions, many are merely informed and not always in due time (Kerckhofs, 2006; Moreau et al., 2009; Waddington, 2010). Thus in order to understand the dynamics of the Europeanization of industrial relations as well as the strategies of different actors to engage (or not) in transnational negotiation, it is necessary to also analyse why in some cases agreement is not reached. We do so through the example of Swedish-owned Electrolux.

In response to global competition, in 2004 Electrolux announced a restructuring plan aimed at cutting costs in production and purchasing (Telljohann, 2008). At that time, 27 of Electrolux’s 44 white-goods factories were in high-cost countries; when the restructuring plan was completed in 2009, more than half of all manufacturing plants were located in low-cost countries. In 2005, it was decided to close several plants: Fuenmayor, Spain (refrigerators); Parabiago, Italy (lawn mowers); and Nuremberg, Germany (washing machines, dishwashers and tumble-dryers). At Fuenmayor, 450 employees were affected and production was shifted to Hungary. The closure of the Nuremberg plant affected 1750 employees, with a phased shift of production to Poland by 2007. The restructuring plan also included plant closures outside Europe, affecting in particular the refrigerator plant in Greenville, USA, and the washer/dryer and dishwasher plants in Adelaide, Australia. While deciding on cutbacks in Western Europe, USA and Australia, Electrolux invested €65m to upgrade its plant in Hungary, to open a new plant in Russia.
producing washing machines, and to enlarge the Polish factories in Siewerz (tumble-dryers) and Żarów (dishwashers), to which part of the German production was transferred.

In the face of this global restructuring, the EMF set up a European trade union coordination group consisting of its EWC coordinator and secretariat, the unions involved in the company and the EWC, in order to ensure a sustainable future for the European production sites. A first outcome of the coordination group was the decision to organize a Europe-wide action day in October 2005, to protest against management’s decision to transfer production to low-cost countries without offering alternatives to secure the long-term viability of the Western European plants, their employment levels and the development of the regions concerned. At that time, however, a serious obstacle was the lack of interest representation at the Polish production site which was supposed to benefit from the restructuring programme.

The EMF urged management to engage in discussions at European level about alternatives to plant closures, an approach supported in particular by German and Italian unions and EWC members. The demand was, however, rejected by central management; and after having already decided to close the production site in Fuenmayor in December 2005, the Electrolux board announced the closure of the AEG Nuremberg plant as well.

The trade union objective of European-level negotiations encountered not only management opposition, but also a lack of conviction on the part of the Swedish EWC members and their union, IF Metall, which largely agreed with central management strategy (Artus, 2006). The positions of the Swedish EWC members and their union, and those of the German and Italian trade unions and EWC members, proved irreconcilable. As a consequence, the process of developing a shared European strategy capable of counterbalancing management restructuring plans entered into crisis: it proved impossible to achieve the European-level negotiation processes carried out at GME in 2004.

What explains the approach of the Swedish unions? According to Knudsen (2005), union attitudes in Nordic countries towards the Europeanization of industrial relations in general and to EWCs in particular seem to be shaped by a cooperative approach and a tendency to support management. With regard to restructuring processes this position implies that there is no ambition to contest management decisions. Therefore, representatives from these countries might not perceive a need for action at the European level. Knudsen (2005) also emphasises that collective bargaining is considered the core of trade unionism in Nordic countries. Thus Nordic trade unions are anxious to contain the activities of EWCs which, in their view, should be confined to dealing with so-called ‘soft’ issues. According to this position, a more far-reaching bargaining role for EWCs would infringe the autonomy of national trade unions. It should also be mentioned that, given the success achieved by Nordic unions in their national contexts, their own systems of industrial relations are probably considered more effective than any structure of interest representation at European level.

Another obstacle to framework agreements at European level is that Swedish trade unions tend to avoid interfering in company-level union activities (Pulignano, 2007). EFAs would be regarded as in conflict with the principle of shop steward autonomy, undermining the rights of company-level trade unions. In the case of the Electrolux
restructuring programme, these ‘country-of-origin’ factors may explain the specific attitude towards the Europeanization of industrial relations which finally blocked a coordinated trade union response at the European level.

In the absence of a joint European strategy at Electrolux, all restructuring processes had to be handled by the national trade unions and company-level structures of interest representation; in the case of the Nuremberg plant, IG Metall developed an alternative proposal aimed at increasing labour productivity, but central management considered it inadequate. In order to prevent the closure of the plant, workers then went on strike for almost six weeks; after which an agreement was reached providing for relatively high severance payments: management had obviously underestimated the union’s ability to mobilize workers, even over a longer period (Artus, 2006). The strike had a serious impact on sales, harmed the company’s public image and led to supply difficulties. The lack of an EU-level strategy thus constituted a missed opportunity for both sides. However, the negative consequences of the Nuremberg conflict might explain why in 2007, in the restructuring of AEG-Electrolux Rothenburg, and in subsequent cases, plant managements adopted a more cooperative approach.

**Transnational agreements and the coordination of trade union strategies**

To understand the functioning and the evolution of particular institutions it is necessary to begin at the micro-level of social action before proceeding to institutional structures at the macro level. This means, in the present case, to examine the strategies developed by the different actors participating in the transnational company-level bargaining process; how these strategies evolved; and the extent to which they are the result of multi-level coordination (European, national and company). Our hypothesis is that to understand and assess the development of bargaining activity at the European transnational level, the strategies of the actors within pre-existing institutional structures must also be analyzed and understood for, as Hyman (1994) argues, social actors are located within a network of actors and the strategies they form are affected by a range of critical factors expressed through the behaviour of the other actors and the wider economic and socio-political influences.

Our empirical findings suggest that the type of cross-border workers’ coordination between the EU and national-union levels is a crucial factor in the conclusion of EFAs. Moreover, they also shed light on the important role played by EWCs in such coordination, becoming a ‘resource’ in the hands of organized collective actors to pursue their strategies. For example, in GM and Ford the EWCs, although under different labour relations (more conflictual in GM than in Ford) played a crucial role in shaping the hearts and minds of the workers and local unions across (and within) diverse geographical contexts (Pulignano et al., 2012). The GM EWC demonstrated to local union representatives that the EMF strategy was not merely a matter of international union meetings, but something which affected their own local interests. Trust relations were progressively built between the members of these EWCs, allowing for the elaboration and defence of common goals (no plant closures and no forced redundancies) through collective action (da Costa and Rehfeldt, 2007). Or as Greer and Hauptmeier (2010: 24) put it, the EWC
promoted closer relationships between its own members’ by developing commonalities in their interpretation of the situation of company change, which then became principles or norms.

The institution of the EWC provided the resource that was used by all union actors, including local unions, to build up cross-border workers’ coordination and to articulate lower levels with the European level. Accordingly, the EWC implemented the strategy also developed by the EMF, by creating a shared perception and understanding of problems, interests and strategies among the local workers and union representatives across the European borders. This was sustained by transnational strike action in the face of material conflict of interests, which confirmed the strong union power able to counter management whipsawing. Likewise, the Ford case illustrates that with strong union power, although under comparatively less conflictual labour relations, the institution of the EWC became an important resource for initiating negotiation with management at transnational level.

Conversely, in the experiences of failed agreements at the European company level, such as at Electrolux, the capacity of the European trade unions to coordinate responses cross-nationally while seeking negotiations with management was jeopardized. Apart from management’s refusal to involve trade unions voluntarily in restructuring at European level, we have also outlined the weak internal cohesion on the employee-side as a crucial obstacle explaining the failure of the negotiation. The presence of strong Swedish workplace organization and the union tradition, typical of Nordic countries, whereby bargaining must be kept at local level as the basis of union power, contributed to the reduced possibility for the EWC to create cross-national social cohesion among the employees while promoting local union respect for EMF policy on restructuring.

Overall, our cases illustrate that the extent to which institutions for employee representation at European level – such as the EWC and the EMF – can become an effective working instrument for transnational labour solidarity and negotiation depends on:

- first, the strategic capability of local unions and employee representatives to use these institutions as a means of envisaging feasible prospects for change;
- and second, the strategic capacity of the EU-level representative union organization (the EMF) and employee representatives (EWC members) to coordinate all the various local and national strategies into common goals for action.

Therefore national industrial relations arrangements and power relations matter even when dealing with transnational negotiations and agreements; and in addition, the type of coordination (or lack of it) between the levels is also a crucial factor in explaining the outcomes of transnational negotiations. In the automobile cases, the fact that the headquarters of Ford and GME where not in Europe might have played a role, but so did the fact that the majority of the European workforces were in Germany (da Costa and Rehfeldt, 2010). The other metal cases listed in Table 2, in which the EMF signed most of the agreements, are shaped not only by EMF strategy but also by arrangements and
dynamics characteristic of industrial relations in France, with a specific articulation of the levels of negotiation and a corresponding multi-level strategy on the part of the local actors and national trade unions. And, as we understand it, the lack of an EU-level agreement at Electrolux is largely explained by the characteristics of Swedish industrial relations, with a strict division of tasks between the national unions, the company-level representatives and the EWC. Whereas in the French TNCs the multilevel coordination was successful in achieving the signature of EFAs, in Electrolux the coordination based on the separation of power prevented the elaboration of common goals. All the cases we analysed entailed a coordination of the strategies of the social actors involved at different levels, which if not compatible constituted an obstacle to signing EU-level agreements. Another finding of our analysis is that one of the main challenges in the negotiation of these agreements is actually the type of coordination between the different levels (local, national and European) and the empowerment it gives to the different actors involved. Last but not least, the topics of the transnational agreements are also of importance: it is easier to agree on common goals when bargaining for supplementary provisions dealing with health and safety for example, than to decide where to reduce jobs during restructuring.

Conclusion: ‘United we stand, divided we fall’

The EU level is not necessarily the most appropriate to deal efficiently with all the transnational problems all the time, and there are many obstacles preventing the development of international solidarity and the Europeanization of industrial relations. The positive cases we have presented in the metal sector, however, show the potential of EFAs for dealing with sensitive transnational issues, thus constituting an important innovation in industrial relations at the transnational company level. In some companies, EWCs, the EMF and/or national trade unions have negotiated on health and safety, equal opportunities, training, profit-sharing, anticipation of change and even actual restructuring involving plant closures and thousands of job cuts across Europe. The restructuring cases in which transnational solidarity was achieved avoided protectionism and company sites being pitted against each other. As Hoffmann and Hoffmann (2009: 401) point out, the Europeanization of industrial relations is a complex issue; but ‘though the results of Europeanization are still modest, and developments in this sphere are very gradual, it is, nonetheless, a central direction for the furthering of trade union interest representation in the future’.

The kind of Europeanization we have analysed here at the transnational company scale has built on the resources of all levels of industrial relations in Europe to increase participation, improve working conditions (health and safety, anticipation of change, occupational development) and protect jobs. It underlines the crucial importance of transnational solidarity and coordination towards a common goal on the employee side – which is often difficult to achieve in hard times – as well as of a willingness to establish social dialogue at the European level on the employers’ side. Whether or not European social legislation will facilitate or hinder these autonomous efforts by some social partners remains to be seen.
References


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