

Ce chapitre démontre au contraire le rôle important joué par les diplomates européennes dans la confrontation entre les producteurs et les consommateurs de pétrole ainsi que la capacité de la Communauté européenne à influencer le gouvernement des États-Unis.

La recherche est basée principalement sur les archives françaises, le gouvernement français étant le plus puissant promoteur du dialogue entre les producteurs et les consommateurs de matières premières : la CIEC, Conférence pour la coopération économique internationale.

Secondairement, des sources italiennes ont été utilisées en ce qui concerne plus particulièrement la présidence italienne de 1975, lorsque le dialogue a été formellement lancé.

“Social Europe” as an Answer to Economic Globalisation

British and German Trade Unions and European Integration in the 1980s and 1990s

Thomas FETZER

*Assistant Professor in European Studies,
Central European University, Budapest*

Introduction

In recent years, academic and media debates about European integration have increasingly paid attention to the ways in which Europe and the European Union (EU) are connected to the wider world. This shift occurs against the backdrop of several developments. The visibility and importance of the EU as an actor in world politics has been growing. At the same time, the debate about “globalisation” has attracted a great deal of interest among European integration scholars despite the fact that controversies about the concept’s precise meaning and historical dimension continue unabated.¹ Significantly, too, the globalisation debate coincided with what scholars have labelled “new regionalism”, concerned with the emergence or strengthening of free trade areas and regional organisations in other continents since the mid-1980s such as the North American Free Trade Area (NAFTA).² Two main elements can be distinguished in the research agenda of “new regionalism”. On the one hand, European integration is seen as part of a movement towards global liberalisation of the cross-border exchange of goods, services, capital and labour. On the other, European institutions are considered as regional answers to the challenges of globalisation upon the European nation-states.

¹ For example, Osterhammel, Jürgen, *Geschichte der Globalisierung. Dimensionen, Prozesse, Epochen*, München, C. H. Beck, 2003.

² Ford, Bertrand, and Webber, Douglas (eds.), *Regional Integration in East Asia and Europe. Convergence or divergence?* London/New York, Routledge, 2006.

From a historical perspective, the time frame that is often suggested by "new regionalism" scholars – that is, the 1980s – appears questionable since the link between European integration and globalisation has been present long before that time.³ Nevertheless, many scholars holding otherwise very diverging views of the integration process agree that changes in the global political economy since the late 1970s contributed crucially, and more than in previous decades, to the far-reaching integration measures of mid- to late 1980s, particularly the establishment of the Single European Market. Moreover, they argue that the extension of non-economic policy competences of the EU through the Single European Act in 1987, and the Maastricht Treaty in 1993, especially with regard to regional and social policy, should not only be interpreted as an attempt to achieve an intra-European balancing of economic and social aspirations, but also as a concern to safeguard the specificity of European welfare regimes in a globalised world. For some time, this has been illustrated by a growing, even if vague discourse on the "European social model".

Based on research in German and British trade union archives this chapter starts with the assumption that one contributing factor to this transformation of European integration was a powerful trade union lobby for a "social Europe", which was a clear departure from attitudes of organised labour during the 1960s and 1970s.⁴ Focusing on the union movements in Britain and Germany, the paper argues that a significant trade union interest in a European social policy did not occur before the late 1980s, and that this "European turn" can at least be partly interpreted as an answer to globalisation pressures.

The chapter begins with a section providing a historical background to British and German trade union positions towards European integration during the 1960s and 1970s. It then proceeds to a brief description of how these positions changed from the late 1980s onwards. The last part is then dedicated to the analysis of how challenges of globalisation led British and German unions to champion a "Social Europe" just as they "discovered" European integration as a polity in its own right.

³ Ambrosius, Gerold, „Institutioneller Wettbewerb im europäischen Integrationsprozess“, in *Geschichte und Gesellschaft* 27/2001, pp. 545-575.

⁴ For this earlier period: Pasture, Patrick, "Trade unions as a transnational movement in the European space 1955-65. Falling short of ambitions?", in Wolfram Kaiser/Peter Starie (eds.), *Transnational European Union. Towards a common political space*, London/New York, Routledge, 2005, pp. 109-130.

I. Trade Union Attitudes towards European Integration in the 1960s and 1970s

A. Germany

There is surprisingly little historical research on German trade unions in the context of European integration,⁵ perhaps because "Europe" was never seriously debated within the German labour movement until the 1980s.⁶ As far as European social policy is concerned, many scholars assume that German unions aimed to counterbalance the economic bias of European integration with a "social dimension", and have been pushing for a strengthening of supranational social policy in Europe.⁷

However, as I will demonstrate with an analysis of German trade union attitudes towards the first social policy program of the European Commission in the early 1970s,⁸ such assumptions fail to grasp the complex relationship between European economic integration, national welfare, and supranational social policy in German trade union thinking. Behind the strong rhetoric in favour of an extended European social policy it is possible to detect many nuances and a lot of window dressing. In the area of employment policy, for example, documents from the Deutscher Gewerkschaftsbund (DGB) praised what today is called the principle of subsidiarity. In the DGB, there was a lot of suspicion about any proposals to set up new European institutions in Brussels. The DGB instead favoured more co-ordination between national labour agencies and a harmonisation of national labour market statistics. In the field of collective bargaining there were further contradictions. On paper the DGB asked for an "Europeanization" of bargaining and an appropriate legal framework both at the level of industry, and within multinational companies. However, documents from internal discussions reveal that the powerful industrial unions such as Industriegewerkschaft Metall (IGM) strongly opposed such ideas.⁹

⁵ An exception on the early period is Köpper, Ernst-Dieter, *Gewerkschaften und Außenpolitik. Die Stellung der westdeutschen Gewerkschaften zur wirtschaftlichen und militärischen Integration der BRD in die Europäische Gemeinschaft und die NATO*, Frankfurt/M., Campus, 1982.

⁶ Strecek, Wolfgang, "Gewerkschaften zwischen Nationalstaat und Europäischer Union", in *WSI-Mitteilungen* 51/1998, pp. 1-14, here p. 2.

⁷ Strecek, *Gewerkschaften*, p. 3.

⁸ Fetzer, Thomas, "Trade Unions as Promoters of a European Social Citizenship? The Case of the German DGB", in Magnusson, Lars, and Stråth, Bo (eds.), *A European Social Citizenship? Preconditions for Future Policies from a Historical Perspective*, Brussels, PIE Peter Lang, 2004, pp. 295-311.

⁹ Deutscher Gewerkschaftsbund, *Protokoll 9. Ordentlicher Bundeskongress Berlin 25. bis 30. Juni 1972*, pp. 163, 202.

The DGB positions in the early 1970s does not appear to depart substantially from the dominant idea embedded in the Treaties of Rome, namely that social policy was to remain a largely national affair. The European Community (EC) was important for German unions not because of supranational regulation, but because of its potential to generate higher economic growth, on the basis of which trade unions could stake their claims for higher wages and welfare benefits in the Federal Republic. It was not by chance that responsibility within the DGB for dealing with the EC for a long time fell upon the economics department. The EC was primarily perceived not as a social but an *economic* entity.¹⁰

Relying in this way on the wealth-creating function of European market integration had of course implications for German unions' wage and industrial relations policies. As Wolfgang Streeck has observed, they had a "keen sense of exposure to a volatile and competitive world market" and adapted their bargaining policy accordingly.¹¹ Yet, since this was happening in a period of strong economic growth and rising incomes, it did not challenge previously achieved social standards and therefore did not, apart from the 1974-1975 recession, pose serious problems until the early 1980s. This was in striking contrast to the situation in Britain.

B. Britain

European integration has been an issue of vivid and controversial debate within the British trade union movement, much more so than in Germany. In his work about the Trades Union Congress (TUC), Paul Teague depicted a situation of almost permanent political infighting between pro-marketers, anti-marketers, and a more pragmatic "centrist" fraction.¹² Moreover, unlike the German pattern, the TUC's majority opinion shifted several times since the early 1960s: initially, the application by the conservative government of Harold Macmillan was cautiously supported until the veto by French president Charles de Gaulle temporarily removed the issue from the agenda in 1963. From the late 1960s, TUC congress debates took on a much more critical tone, and the majority support lent to the Labour governments' renewed application for EC membership was at least partly due to a sense of solidarity with

the Labour Party. Once the Tories had taken over again in 1970, the shift of attitudes was soon translated into official TUC opposition to British accession to the EC. This position prevailed within the British union movement until the referendum in 1975. This was despite the fact that a minority group, the "trade union alliance for Europe", joined the camp of the "Yes"-side in the campaign. The overwhelming popular majority in favour of continued membership led to a grudging acceptance of European integration for the remainder of the 1970s, but under the surface, criticism of the EC remained strong. From 1980, majority opinion in the TUC again turned into outright opposition, and yearly congress motions advocated withdrawal from the Community – a pattern that continued until the mid 1980s.¹³

Yet, Teague's analysis also revealed that underneath these internal controversies and opinion shifts there was strong continuity in one fundamental sense. Hardly anybody in the TUC, not even the most ardent pro-marketers, regarded the EC as a policy arena that supplemented the nation-state, particularly not regarding employment and social policy. Teague coined the term "naïve Keynesianism",¹⁴ that is, a deeply rooted belief that such policies could only be successfully implemented at the national level. This resembles the above position of the German DGB. European integration was perceived primarily as a process of market integration while welfare policies should continue to be pursued at national level. TUC debates never discussed what EC institutions might be good for, but were exclusively concerned with the question of whether or not Britain should join, remain in, or withdraw from the Common Market. Thus, in both countries, the policy-making capacities at European level never played an important role for union thinking. What counted were the benefits and costs of membership itself. What stands out in the attitudes of British unions towards European integration in comparison to the German case is the much more pronounced emphasis on the constraints that EC membership was expected to place on trade union wage and industrial relations policy. Against the backdrop of industrial decline and employer assaults on cherished industrial relations' traditions, European integration was often seen as a process that would further deteriorate the unions' domestic position. Yet, as their German counterparts, British trade unions perceived the EC primarily as an *economic* space with serious implications for national welfare, not as a political arena in its own right. This view began to change from the mid 1980s.

¹⁰ Fetzer, *Trade Unions as Promoters*, *op. cit.*

¹¹ Streeck, Wolfgang, "Successful Adjustment to Turbulent markets: the German automobile industry in the 1970s and 1980s", in Streeck, Wolfgang (ed.), *Social Institutions and Economic Performance. Studies of Industrial Relations in Advanced Capitalist Economies*, London, Sage, 1992, pp. 169-196, here p. 181.

¹² Teague, Paul, "The British TUC and the European Community", in *Millennium* 18/1989, pp. 29-46.

¹³ Teague, *The British TUC*, pp. 30ff.

¹⁴ *Ibid.*, p. 44.

II. The Discovery of Europe as a Policy Arena in the late 1980s and early 1990s

That the politics of British and German trade unions experienced a strong turn towards Europeanization from the late 1980s is relatively well-known though detailed research only exists for the British case.¹⁵ The unions in both countries began to abandon the view of European integration as merely an economic framework with more or less favourable consequences for national welfare, and instead started to perceive the Community as a political arena in which they should become active players. Nothing illustrates this shift better than the fact that TUC and DGB opened their own offices in Brussels independent of the European Trade Union Conference (ETUC) in the early 1990s. At the same time, "Europe" became a key topic on the agenda of TUC and DGB congresses. European policy, it was frequently said in British and German union circles, had become domestic policy.¹⁶ Initiatives were launched in many different policy areas, from research to regional policy, but a number of key concerns appear to have dominated the unions' thinking. Firstly, the unions mounted a campaign for stronger European Community initiatives to promote economic growth and combat unemployment. Secondly, they became ardent supporters of plans by Commission president Jacques Delors aimed at giving a "social dimension" to European integration. This was translated into constant lobbying for the Social Charter, and, more generally, for European legislation with regard to minimum standards in areas such as health and safety, working time, or paid annual leave. Moreover, there was now a genuine trade union commitment to introduce "economic democracy" at the European level, most visibly expressed in a lobby for "European works councils" in multinational firms. Next to the activities targeting the European institutions, British and German trade unions now also appeared determined to strengthen the cross-border co-operation of the labour movements themselves, e.g. with regard to the co-ordination of collective bargaining policies.¹⁷

Several arguments have been suggested to explain why this policy shift occurred. Some scholars focus on the increasingly hostile domestic

¹⁵ See for Britain: MacShane, Denis, "Trade unions and Europe", in *Political Quarterly* 62/1991, pp. 351-364; Rosamond, Ben, "National labour organisations and European integration: British unions and '1992'", in *Political Studies* XLI/1993, pp. 420-434; Wendon, Bryan, "British trade union responses to European integration", in *Journal of European Public Policy* 1/1994, pp. 243-261; for Germany see the cursory treatment by Streeck, *Gewerkschaften*, *op. cit.*

¹⁶ For the British case see Wendon, *British trade union responses*, p. 247.

¹⁷ Fetzer, *Trade Unions as Promoters*, pp. 310f.

climate for unions in the 1980s with growing unemployment, neo-liberal attacks against the power of organised labour, and a more general crisis expressed in declining union density rates. In this situation, the European level offered an escape route in response to domestic problems. In particular, this argument has often been made with regard to Britain. The remark in 1988 by Ron Todd, leader of the Transport and General Workers Union (TGWU), that Brussels had become "the only game in town", meant that British unions were pushed towards Europe by the domestic onslaught of Thatcherism.¹⁸ German unions were also in a difficult domestic position in the 1980s though to a much lesser degree than their British counterparts. They faced an employer-driven debate about "*Standort Deutschland*" focusing on high German wages and labour market "rigidities".¹⁹

Other accounts concentrate on "pull" rather than "push" factors. This means that the acceleration of European economic integration since the late 1980s, and the parallel process of EU enlargement, drew the unions into the European policy arena. In Germany, this argument was connected to more general debates about the changing nature of European integration. Rather than providing the economic resources for national welfare policies, European integration now appeared to act as a major constraint upon national policy-making: social achievements themselves became increasingly linked to their compatibility with the notion of "national competitiveness" in international markets.²⁰ Against this backdrop German union leaders started to warn against the danger of "social dumping" inherent in accelerated European market integration, and to stress the necessity of social standards at EC level to avoid a "race to the bottom".²¹

In Britain, debates about potential drawbacks of economic integration were hardly a novelty but what changed in comparison to previous decades was the disappearance of the "opt out" alternative. As Ben Rosamond has shown, this was not merely a reflection of a shift to the Right within the TUC. By the late 1980s even the most left-leaning organisations had accepted international economic integration as a *fait accompli*, which could not be successfully challenged by individual nation-states. Long-cherished ideas of Britain temporarily or permanently isolating itself from the pressures of international competition were abandoned. Left-wing strategies now advocated internationally co-

¹⁸ MacShane, *Trade Unions and Europe*, pp. 354f.

¹⁹ Hyman, Richard, *Understanding European Trade Unionism. Between Market, Class & Society*, London, Sage, 2001, pp. 132f.

²⁰ Streeck, *Gewerkschaften*, pp. 3ff.

²¹ Fetzer, *Trade Unions as Promoters*, pp. 310/311.

ordinated strategies to promote economic growth, as well as the strengthening of cross-border trade union cooperation.²²

While these accounts all contain valuable insights into the changes of British and German trade union attitudes towards European integration in the late 1980s and early 1990s, they do not address the importance of economic globalisation. The following analysis attempts to fill this gap without claiming that globalisation was the only, or the single most important cause for the transformation of trade union attitudes.

III. The Importance of Economic Globalisation

There is clear evidence that in the view of British and German trade unions, the deepening of European market integration in the late 1980s was in many ways connected to broader processes of economic globalisation. Indicative of this view is the prominent place accorded to cross-border investment and multinational firms in union analysis about the Single Market. A typical TUC document elaborated: "The growing internationalisation of investment is a fact of life in Western economies and the pace is likely to increase with the completion of the Single European Market".²³ Regional integration in Europe was seen as part of a broader process towards more interdependence among industrialised economies, largely driven by the investment strategies of multinational firms. In fact, the role played by non-European companies, and the likely benefits they could expect from further continental market integration, was often explicitly addressed in British and German trade union debates about the Single Market. More generally, after a decade of relative calm, the late 1980s witnessed a renewal of trade union concerns over multinational firms, featuring both European preoccupation with *le défi américain* and a new concern with regard to the growing number of Japanese inward investors. This was particularly the case in the electronic and automobile industries.²⁴

The example of the motor industry is particularly instructive. Here, the main forces of internationalisation in the 1980s had been, on the one hand, the export and investment offensive of Japanese firms, and on the other, the new "world car" strategies by the two American giants Ford and General Motors (GM). The "Japanese challenge" can easily be identified by the growing share of Nissan and Toyota in Europe's car

markets. By the late 1980s, these reached as much as 11 percent in the British market, and 15 percent in Germany.²⁵ Moreover, Japanese firms had started to venture into production in Britain to cater for European markets. Honda had been the first to establish a joint-venture link with the former national champion British Leyland, followed by Nissan and Toyota opening independent manufacturing facilities in Britain in 1986 and 1989.²⁶ As for Ford and GM, the 1980s witnessed the beginning of the integration of European facilities into global corporate schemes with an increasing degree of design and manufacturing standardisation across continents. GM's "J car" (Vectra) and Ford's "Mondeo" became the first "world cars", and largely identical vehicles were marketed simultaneously in Europe, America and Asia.²⁷

Particularly in the UK, these developments contributed a great deal to the decline of union beliefs in national economic management, and this became a crucial precondition for their "European turn". The reasoning was that if Europe became but one part of a global production network at Ford and GM, and if the bulk of Japanese transplant output was destined for export to Europe, then the national strategy of the trade unions of the late 1970s and early 1980s to lobby for import restrictions hardly made sense anymore. It was becoming clear that defending the employment interests of workers in the UK now required to look beyond national frontiers.²⁸

The "Japanese challenge" was still more important in another sense because it induced British and German trade unions to think in terms of international competitiveness, much more so than in previous decades. The massive cost and quality advantages of Japanese car companies that became visible from the late 1970s made economic viability a core concern of organised labour because of the obvious implications that losses of market shares would have for employment levels, in a period characterised by slower growth and strong measures of rationalisation in this industry. The period is also characterised by an almost permanent

²² Rosamond, *National labour organisations*, *op. cit.*

²³ Modern Records Centre (MRC) Warwick, MSS.292D. 565/1, Box 1100, TUC, Economic Committee, 8 June 1988.

²⁴ For Britain see Ferner, Anthony, "Foreign multinationals and industrial relations innovations in Britain", in Edwards, Paul K. (ed.), *Industrial Relations: theory and practice*, 2nd ed., Oxford, Blackwell, 2003, pp. 81-104.

²⁵ Sadler, David, "Beyond '1992': the evolution of European Community policies towards the automobile industry", in *Environment and Planning* 10/1992, pp. 229-248, here: p. 232.

²⁶ For the Nissan case: Loewendahl, Henry Bernard, *Bargaining with multinationals. The investment of Siemens and Nissan in North-East England*, Houndmills, Palgrave, 2001.

²⁷ Bordenave, Gérard, and Lung, Yannick, "The twin internationalisation strategies of US carmakers GM and Ford", in Freyssenet Michel, Shimizu Koichi, Volpato Giuseppe (eds.), *Globalization or Regionalization of the American and Asian Car Industry?*, London, Palgrave-Macmillan, 2003.

²⁸ Fetzer, Thomas, *Driven towards Inter-Nationalisation. British trade union politics at Ford and Vauxhall 1960-2001*, Ph. D. Thesis European University Institute Florence 2005, pp. 308f.

pressure on the industry's management for improved productivity and product quality, something which unions could not completely ignore. In the case of Volkswagen (VW) in Germany, the new vulnerability of the company became highly visible due to the ability of Japanese firms to erode VWs position in the United States, and increasingly also in Europe. Against this backdrop, the works council developed a strategy of concession bargaining, exchanging mid-term employment guarantees for co-operation in measures to cut costs and increase productivity.²⁹ In the case of British Leyland the joint venture with Honda ensured that the "Japanese challenge" was translated into intra-company benchmarking. In Ford's British and German subsidiaries, European management launched the so-called "After Japan" campaign in the early 1980s, which was a mixture of rationalisation programs and new schemes of "employee involvement" aiming at the improvement of product quality. It formed the background of agreements with unions both in Britain and Germany to reduce headcount levels and increase productivity in the early and mid-1980s.³⁰

These developments – in many ways parallel to the electronic industry – contribute to explaining why trade unions in Britain and Germany came to support the aims of economic liberalisation embodied in the Single Market project, despite a legacy of anti-EC attitudes (Britain) and an increasing preoccupation with "social dumping" due to European market integration (Germany). In light of their own recent experience these trade unions subscribed to the widespread view that a Single Market was necessary to boost the competitiveness of European firms in comparison to their American and Japanese counterparts. Statements confirming this view are not difficult to find in TUC and DGB documents in the late 1980s.³¹ Even left-wing minorities within the unions criticising this logic of competitiveness agreed that the challenge of non-European firms was a serious one, which needed to be tackled at Community level. Long-time opponents of Common Market membership in the UK argued that it was urgent to control American and Japa-

nese multinationals at the European level.³² The TGWU leader Todd called for a "European code" to protect workers in the event of international takeovers of European-owned firms.³³

This latter point suggests a much broader question of the conditions under which trade unions in Germany and Britain were prepared to support European competitiveness. From the unions' point of view, the core assumption was to reject "the simplistic argument that Europe's poor performance compared to the more dynamic US and Japan is due to excessive state intervention and rigid labour markets", as a TUC report from 1987 put it.³⁴ DGB leader Ernst Breit insisted that unions needed to turn the debate about *Standort* Europe upside down since European competitiveness could not be restored with "American methods".³⁵ German and British union documents of this period list a whole range of "alternative causes" for Europe's economic gap, ranging from technological factors, the lack of strategic thinking among European management, and the importance of a much bigger domestic market in the American case, to the crucial contribution of state industrial policy and to the strong performance of Japanese companies.³⁶

Much of that was rhetorical, and there was no illusion in British and German union circles that acceptance of the competitiveness issue would also inevitably translate into concessions on the part of organised labour. Negotiations in the car industry related to the "Japanese challenge" provided a clear enough example in this regard. Yet, there was a point of principle involved. Unions believed that it was imperative to oppose the notion that catching up with America and Japan necessitated a lowering of achieved social standards. In turn, this triggered the need for a "European" counter-discourse. It was argued that Europe was different from Japan and the United States because of its high social standards constituted a competitive strength rather than a liability. DGB leader Breit stated that high wages, extensive vocational training, and strong trade unions were constitutive elements of Europe's competitiveness.³⁷ In a similar vein, a TUC document noted that high wages and

²⁹ Widuckel, Werner, "Globale Integration von Unternehmen und Interessenvertretung von Arbeitnehmern am Beispiel der Volkswagen AG", in *Industrielle Beziehungen* 8/2001, pp. 335ff.

³⁰ For Britain see Tolliday, Steven, "Ford and 'Fordism' in postwar Britain. Enterprise management and the control of labour 1937-1987", in Tolliday, Steven, and Zeitlin, Jonathan, *The Power to Manage? Employers and industrial relations in comparative historical perspective*, London/New York, 1991, pp. 81-114.

³¹ MRC, MSS.292D. 565/1, Box 1098, TUC Economic Committee, 9 April 1986; Archiv der sozialen Demokratie (AdsD) Bonn, Bestand DGB, Abteilung Vorsitzender, 5/DGAI000548, Kurzprotokoll über die 22. Sitzung des Bundesvorstands des DGB, 6 September 1988.

³² MRC, MSS.292D. 565/1, Box 1098, Letter Ken Gill to Norman Willis, 20 January 1986.

³³ MRC, MSS.292D. 565/1, Box 1099, TUC Economic Committee, 8 April 1987.

³⁴ MRC, MSS.292D. 565/1, Box 1099, TUC Economic Committee, 11 February 1987.

³⁵ AdsD, Bestand DGB, Abteilung Vorsitzender, 5/DGAI000548, Kurzprotokoll über die 22. Sitzung des Bundesvorstands des DGB, 6 September 1988.

³⁶ For Germany see AdsD, Bestand DGB, Abteilung Vorsitzender, 5/DGAI 000353, "Ein neuer Vorschlag der EWG-Kommission für eine europäische Aktiengesellschaft (EAG)", 10 August 1988.

³⁷ MRC, MSS.292D. 565/1, Box 1098, TUC Economic Committee, 11 February 1987.

strong labour market regulation were trumps to attract foreign investment.³⁸

This also meant that labour conditions in Japan and the USA were not seen by the European trade unions as suitable for domestic standards. It was not by accident that German trade union journals began publishing an increasing number of very critical accounts about the situation in these countries during the late 1980s. The US was usually portrayed as a form of paradise for social deregulation with decreasing wage levels, precarious employment conditions and growing poverty. American trade unions were in decline and moreover shattered by corruption affairs. Descriptions of Japan were hardly more favourable: Japanese employees were attested a "mental barrier" against the need to reduce working time, and the unions were ambiguously likened to the "yellow" organisations created by employers, which had hampered German union strength prior to the Second World War. One commentator rhetorically asked whether those who praised the hard-working Japanese would really want to work and live in Japan.³⁹

One needs to be careful not to take such arguments at face value. On the one hand, there really was fear within the British and German trade union movements about a potential "Americanisation" or "Japanisation" of social and employment relations. To quote the example of the automobile industry again, there was persistent union resistance against a number of "Japanese-style" innovations over the course of the 1980s. In Germany, this related above all to the introduction of employee discussion circles to raise product quality. In Britain, more attempts by Japanese firms to impose "no-strike" clauses in collective bargaining agreements, and company councils as a substitute to trade unions. At the 1991 TUC Congress, a motion denouncing such "alien practices" received a majority despite strong reservations by the union leadership.⁴⁰

On the other hand, however, the obviously exaggerated line between a European "social model",⁴¹ and those prevalent in Japan and the US, points to hidden domestic and intra-European agendas. In the German case they are vividly illustrated in comparisons drawn between the "voluntarist" pattern of trade unionism in the US and "mittel- und

³⁸ MRC, MSS.292D. 565/1, Box 1100, TUC Economic Committee, 8 June 1988.

³⁹ For example *WSI-Mitteilungen* 1/1986, 6/1986, Special issue "Zukunft 2000" (1987), 3/1988, 1/1989.

⁴⁰ Trades Union Congress, *Report of 123rd Annual Congress, 2-6 September 1991*, pp. 486-490.

⁴¹ To give just one example it could hardly be argued that the decline of trade union membership in the 1980s was a phenomenon confined to the USA since it also hit many European countries – see for data: Bernhard Ebbinghaus/Jelle Visser, *Trade Unions in Europe since 1945*, London, Macmillan, 2000.

nordeuropäischen Partizipationsmodellen", which had survived the neoliberal attacks of the 1980s.⁴² Clearly, this was a very particular concept of "Social Europe, which in fact excluded both the Mediterranean countries, and the British isles; the latter being much closer to the American pattern. The transatlantic contrast mainly served to establish a European "best practice" that was modelled along German lines and that – given its success – ought to be extended to the entire continent. This was not a "missionary" idea but reflected the threat perception of German unions with regard to the erosion of their *domestic* system through *intra-European* market integration. *Mitbestimmung*, in particular, was seen to be endangered less by American or Japanese challenges, than by the prospect of increasing transfers of company headquarters from Germany to other European countries without legal provisions for co-determination. This is why there was an urge to implement a measure of "economic democracy" also at the European level. In this context, comparisons with Japan and the US were a useful rhetoric device to underpin the legitimacy of the German model in the debates about harmonisation within the Community.

In the case of British trade unions there was a similar link to domestic strategies. The presentation of a strong contrast between a negatively perceived "Anglo-American" industrial relations model and a desirable "European" one, served to reinforce the TUC campaign for Britain to catch up with "best European practice" in terms of social standards and collective labour law. These arguments were launched with the main purpose of overcoming a domestic crisis resulting from recession, Thatcherist policy and a decline of rank-and-file militancy. "Anglo-American" metaphors were helpful in this context because they portrayed Britain as part of Europe's "Other", and thus reinforced in a particularly drastic way the legitimacy of TUC policy.

Altogether it seems clear that the emerging discourse of Europe as a peculiar "social model" in contrast to Japan and the United States fed into trade union lobbies to give European integration a "social dimension". Economic globalisation thus contributed to the trade union "discovery" of the EC as a political arena polity in areas such as employment conditions, social minimum standards, or industrial relations.

But this does not yet exhaust the list. Much more straightforward than the somewhat twisted discourse about Europe's social specificities was the interest of British and German trade unions in safeguarding domestic employment levels in sectors with strong import penetration from outside Europe. In turn, this led them to "discover" trade and industrial policy as another area in which European integration could

⁴² *WSI-Mitteilungen* 6/1986.

serve as a protective device against economic globalisation. In the automobile sector, the issue of Japanese imports into the Community had been dealt with by the individual member states until the late 1970s, but in 1981 the European Commission had for the first time negotiated an agreement on "voluntary" export restraint with Japan's Ministry of Trade and Industry. Since then, monitoring of the sales by Japanese companies in Europe took place at the Community level despite the fact that some states like France and Italy operated additional informal barriers.⁴³ German and British trade unions adapted to the new situation with a reorientation of their lobbying towards the European institutions. From the early 1980s, both national union movements became active supporters of a restrictive policy against Japanese car imports by the Community, crucially contributing to a campaign by the European Metalworkers Federation (EMF) targeting the European Commission, and the European Parliament.⁴⁴ Moreover, DGB and TUC representatives also regularly lobbied "their" national governments to ensure favourable decisions by the Council of Ministers.⁴⁵

From the late 1980s, the question of Japanese imports became intertwined with the increasing number of direct investment projects by Japanese firms in Europe. In the automobile sector Nissan, Toyota and Honda opened plants in Britain in response to the Single Market project during this period. These were designed as supply bases for the entire European continent.⁴⁶ This raised new questions because the Japanese companies partly used their investments to circumvent import restrictions. The ensuing controversy about a minimum "European content" of Japanese vehicles escalated in the late 1980s with the French government threatening to block the import of the British made Nissan "Bluebird". However, it was resolved in 1991 by an agreement between the EC and Japan setting informal targets for Japanese imports and transplant production for the rest of the decade.⁴⁷

As in the case of imports, German and British trade unions strongly contributed to the lobby of the EMF to regulate Japanese Foreign Direct Investment (FDI) at EC level in the late 1980s. This was particularly important for trade unions in Britain since they were most directly affected by the new investment wave. TUC documents advocated a new

⁴³ Sadler, *Beyond 1992*, p. 231.

⁴⁴ AdsD, Bestand IG Metall, W 190a, Kurzprotokoll über die Sitzung der EMB-Arbeitsgruppe Automobilindustrie, 14-15 October 1980.

⁴⁵ For the TUC see MRC, MSS. 292D, Box 1709, Inter-departmental correspondence David Lea to Len Murray, 20 May 1981, 10 June 1981, 18 June 1981.

⁴⁶ Bourke, Thomas, *Japan and the Globalisation of European Integration*, Aldershot, 1996, chapter IV.

⁴⁷ Sadler, *Beyond 1992*, p. 239.

"European industrial policy", and one of the most important tasks was to control non-European inward investors. More concretely, the TUC requested that the "European content" of goods assembled in the EC should be maximised in terms of the proportion of the total value of the product (usually set at a minimum of 60 percent), and that high-value added elements of production should be located in Europe.⁴⁸ The "European turn" of British union policy could not be illustrated more clearly than with this example. Still in the mid-1980s, some TUC affiliates like the TGWU had launched massive campaigns against the "tied imports" that Ford and GM brought in from the European continent, and had lobbied the British government for "local content" regulation.⁴⁹ Until then "local", clearly, was synonymous to "British". With the arrival of the Japanese firms and their export-oriented strategies, the whole framework changed: "Local" now meant "European content", and the place of regulation shifted from London to Brussels.

It is interesting to note that in a similar way "European" employment interests emerged at the micro level in a number of companies during the 1980s, triggered not least by processes of economic globalisation. In the case of Ford's European operations, for example, a new company alliance with the Japanese firm Mazda, and the production of mass models like the "Escort" in Brazil brought British and German trade unions to emphasise "European" interests. Already in May 1981 German and British employee representatives in the product development division wrote a joint letter to Philip Caldwell, president of Ford of Europe, requesting assurances about the future role of the European facilities within Ford's worldwide design and development organisation.⁵⁰ Another Anglo-German trade union meeting in 1983 expressed concern about "American and Japanese intrusion in European responsibilities".⁵¹ From the late 1980s these anxieties further increased as globalisation now also affected core areas of assembly and component productions. Against this backdrop, the trade union lobby for European works councils was linked to the idea of protecting European employment interests in processes of globalisation at the company level.⁵² Indeed, the European works councils at Ford and also at GM were later

⁴⁸ MRC, MSS.292D. 565/1, Box 1099, TUC Economic Committee, 11 February 1987.

⁴⁹ Fetzter, *Driven towards Inter-Nationalisation*, pp. 266ff.

⁵⁰ Archive IG Metall Cologne, File BR Ford-P von 1977 bis Dez. 1984, Letter works council Merkenich and trade unions Dunton to Caldwell, 6 May 1981.

⁵¹ Archive IG Metall Cologne, File BR Ford-P von 1977 bis Dez. 1984, "Treffen 21-23.11.1983".

⁵² Fetzter, *Driven towards Inter-Nationalisation*, pp. 326f.

to become the effective voice of European employees *vis-à-vis* the company headquarters in Detroit.⁵³

Conclusion

The "discovery" of Europe as a policy arena in its own right was a key change in the policy of British and German trade unions in the late 1980s and early 1990s. In this chapter, I have demonstrated that this change was also nurtured by economic globalisation. The increasing volume of trade and capital flows connecting Europe with other parts of the world, notably Japan and America, contributed at the same time to acceptance of further market liberalisation in the EC, and to a strong union lobby for European regulatory policies, from the much-invoked "social dimension" to trade and industrial policies.

However, these changes should not be interpreted as if British and German unions had substituted national for European interests and allegiances. Their decisions to turn to European institutions more than in previous decades were taken from their respective national perspectives, and they did not amount to a complete turnaround of positions. Strong continuities with the past remained. The German DGB, for example, made it very clear on several occasions during the 1990s that "European employment policy" was meant less in the sense of supranational programs than of a better connection of national policies.⁵⁴ A similar preference prevails in the collective bargaining field to this day: cross-border wage bargaining co-ordination, now vividly advocated by German unions, remains in the hands of national federations rather than the ETUC or European branch committees. In the British case, the campaign to "catch up with Europe" in terms of employment rights and collective labour law is not to be equated with a desire to follow some "best practice" model from abroad. Appropriations of "Europe" remained selective and shaped by the needs of national trade union policy.

Résumé

L'Europe sociale comme réponse à la globalisation économique : les syndicats allemands et britanniques face à l'intégration européenne dans les années 1980 et 1990

Basé sur des documents provenant des archives des syndicats allemands et britanniques, ce chapitre met en évidence la « découverte » de l'Europe comme espace politique par les mouvements ouvriers des deux

⁵³ *Ibid.*, p. 363.

⁵⁴ Deutscher Gewerkschaftsbund, Bundesvorstand, Geschäftsbericht 1994-1997, p. 16.

pays à la fin des années 1980. L'article montre que cette « découverte » était, parmi d'autres facteurs, une réponse au nouveau défi de la globalisation économique. L'augmentation des échanges économiques entre l'Europe et d'autres régions, en particulier le Japon, contribuait à la fois à l'approbation syndicale d'une libéralisation approfondie du marché européen, et à l'émergence d'un lobby fort pour une politique sociale européenne.