The Late Birth of Transnational Labour Cooperation: Cross-Border Trade Union Networks at Ford and General Motors (1953–2001)

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Multinational companies (MNC) are today one of the most important challenges for the trade union movement. Against this backdrop, and given that the growth of MNC has been a long-term historical process, it is rather surprising how little efforts labour historians have devoted to the topic despite the existence of a relevant and rich sociological and industrial relations literature. The article aims to contribute to fill this gap with a case study analysis of international trade union networks at Ford and General Motors, two firms in which such networks emerged early after the Second World War, and which today, at least in Europe, stand out as 'best practice' cases of international labour cooperation in the guise of European works' councils. The paper inquires into the changes in the motives, forms, and practical results of cross-border cooperation initiatives at Ford and GM in Western Europe during the second half of the twentieth century, and interprets these patterns against the backdrop of the broader development of trade union internationalism during the post-war period, and the more specific challenges organized labour faced in these two multinational firms. I argue that serious attempts for international cooperation were already made during the 1950s and 1960s but were frustrated because of management obstruction and also because of fears among major European unions that international bargaining could weaken national union structures and solidarity notions. It was only during the 1990s that the emergence of European works' councils led to the first tangible results of international cooperation, reflecting above all the much more threatening labour market consequences of MNC development during that period.

KEYWORDS Trade unions, multinational companies, labour internationalism, International Metalworkers' Federation, European works' councils

Introduction

The growing significance and power of multinational companies (MNC) has undoubtedly become one of the most important challenges the trade union movement faces today. Against this backdrop, and given that the growth of MNC has been a long-term historical process,¹ it is rather surprising how little efforts labour historians have devoted to the topic. This neglect is particularly evident in the case of national trade union historiography.² Yet, historians of the international union movement, too, have shown rather little interest in the subject — despite the existence of a rich industrial relations literature providing snapshots about international union networks in MNC during the 1970s, and again since the mid-1990s.³

The article sets out to contribute to fill this gap with a case-study analysis of international trade union networks at Ford and General Motors, two firms in which such networks emerged early after World War II, and which today, at least in Europe, stand out as 'best practice' cases of international labour cooperation in the guise of European works- councils.⁴ The article enquires into the changes in the motives, forms, and practical results of cross-border cooperation initiatives at Ford and GM in Western Europe during the second half of the twentieth century, and interprets these patterns against the backdrop of the broader development of trade union internationalism during the post-war period, and the more specific challenges organized labour faced in these two multinational firms. The article argues that attempts for international cooperation started already during the 1950s, initiated by the American automobile trade union UAW. However, these attempts were frustrated mainly because of fears among European unions that international bargaining at company level could weaken national union structures and solidarity notions. The late 1960s and early 1970s saw a repetition of this dynamic, this time however confined to Western Europe. It was only during the 1990s that the emergence of European works' councils (EWC) led to the first tangible results of international cooperation, reflecting above all the much more threatening labour market consequences of the two MNC's business strategies during the 1990s.

The article provides first a brief account of the growth of MNC in Western Europe in the post-1945 period, and the specific challenges this raised for the trade unions. It continues with a review of the trade union responses as described in the industrial relations literature about post-war international union organizations. The next four sections then portray the development of cross-border union networks at Ford and GM distinguishing between the periods between 1953–1965, 1966–1974, 1975–1987, and 1988–2001. The article concludes with reflections about the significance of the case studies for the future of international labour cooperation in multinational firms.

Multinational firms: a new challenge for the trade union movement after 1945

According to the most commonly used definition, multinational companies can be conceived of as firms that own and control operations or income-generating assets in more than one country. In contrast to simple portfolio investments, MNC are not just capital movements, but involve management control and the transfer of a whole package of resources (technology, managerial know-how, etc.) across borders.⁵

The history of multinational firms dates back to at least the mid-nineteenth century but the focus of this article is confined to the post-1945 period, which was different from the pre-war era in a number of key respects. The bulk of MNC activity shifted from the exploitation of natural resources towards manufacturing, which meant that the biggest industrialized nations now also became the major host countries.⁶ In Western Europe the growth of foreign direct investment (FDI) was further encouraged by the emergence of regional free trade zones, in particular the European Economic Community (EEC), which enabled MNC to integrate their subsidiaries across borders without incurring the tariff penalties of the interwar period.⁷ Consequently, the early post-war pattern of MNC leaving national subsidiaries a large degree of autonomy changed from the mid-1960s. Ford, for example, standardized its entire European product range between 1965 and 1972 and, in 1967, created the holding company Ford of Europe to coordinate its business on continental scale.⁸ General Motors with its subsidiaries Opel (Germany) and Vauxhall (UK) followed suit in the mid-1970s.⁹

Against the backdrop of these developments public debates about 'the multinationals' emerged in the late 1960s. In turn, these debates translated into attempts for regulation at the national and international level during the 1970s, though it soon turned out that they would fall far short of the ambitious initial agendas. At the international level, various codes of conduct for MNC were adopted by the United Nations, the ILO, and the OECD, yet these had a voluntary character, and remained without much practical effect.¹⁰ At the national level, many governments actively promoted the creation of national champions to contain the influence of MNC in key sectors, and to varying degrees also stepped up the screening of foreign investments.¹¹ However, such attempts had only limited success not least because national governments, particularly in integrated regional blocks like Western Europe, found themselves increasingly drawn into competition for internationally mobile capital.¹²

This trend was magnified from the late 1970s onwards with the shift towards neo-liberal economic policies in many countries, and, from the late 1980s, with the opening up of new investment opportunities for multinational firms in Eastern Europe and Asia. At the same time, the Single European Market and the 1991 Treaty of Maastricht creating the European Union (EU) brought a deepening of regional economic integration. At the global level, too, the liberalization of economic exchange accelerated, symbolized in the creation of the World Trade Organization (WTO) in 1995.¹³

Against this backdrop MNC became still more significant, towards the end of the twentieth century the growth rate of FDI flows reached forty per cent annually.¹⁴ Geographically, there was a shift towards more investment in Eastern Europe and Asia, though Western Europe and North America continued to attract more than half of global FDI. Worldwide market liberalization also encouraged a shift from regional to global integration of corporate activities, though still today most MNC generate the large majority of their revenues through sales within one of the three major economic areas (North America, Western Europe, Japan).¹⁵ The cases of Ford and General Motors again reflect the wider trend. Both firms began to pursue schemes

of global product standardization and production integration during the 1980s yet due to setbacks with 'world cars' this shift remained partial. By the year 2000 both companies combined regional and global elements in their corporate strategies.¹⁶

The post-war growth and changing character of multinational firms posed serious challenges for the trade union movement. One key aspect was employment security. The trend among MNC to integrate subsidiaries across borders increased their capacity to shift assets, and hence employment, across borders though sunk costs of past investments and the commercial importance of national markets continued to place limits on this capacity.¹⁷ Moreover, a distinction needs to be made between the period up to the mid-1970s when strong economic growth ensured that employment security remained an ephemeral concern, and the 1980s and 1990s when international investment competition in many MNC became linked to massive job cuts in North America and Western Europe.

The second key challenge for trade unions was collective bargaining. In many MNC techniques of benchmarking between different units of the firm were used to put pressure on trade union negotiators — backed by investment promises and/or threats of investment switching. Again, the impact of such management tactics was much more limited in the period up to the mid-1970s not only because of the weaker job threat potential but also because bargaining pressure concentrated on productivity improvements, which were often coupled to wage premiums.¹⁸ It was only during the 1980s and 1990s that collective bargaining in many MNC turned into concession bargaining whereby unions in different countries were pitted against each other in their struggle to guarantee employment security.¹⁹

Did these challenges induce the trade unions to step up their efforts for international cooperation? Before turning to the Ford and GM case study analysis the article will first provide a brief review of the scholarly answers to this question advanced in the industrial relations literature about international trade union cooperation in the post-1945 period.

International trade union cooperation in MNC in the post-1945 period: A review

Over the last decades research related to the post-war development of international trade union organizations has grown impressively.²⁰ In terms of their roles and activities most studies confirm Windmuller's classic account from 1967, which distinguished between three key tasks of international trade union bodies, namely the representation of labour interests in intergovernmental and supranational agencies, the missionary propagation of a particular type of trade unionism, and the services carried out in supporting and coordinating activities of the national affiliates.²¹ However, there has been a great deal of controversy about whether to interpret Windmuller's categories in a wide or narrow sense, whether to conceive of international union bodies as powerless appendixes of national organizations, or as international actors in their own right.²²

Judging from the available literature, multinational companies became a concern for international trade union organizations from the mid-1960s onwards, involving both the representation and the support/coordination dimensions. As for representation, international union confederations were involved in the establishment of codes of conduct for MNC by the International Labour Organization (ILO) and the Organization for Economic Cooperation and Development (OECD) during the 1970s, and, subsequently, in the screening of the codes' observance.²³ In parallel, and of more importance for this article, the sector-specific organizations made coordination efforts within single MNC through so-called world company councils, which were set up notably in the motor, electrical, chemical, and food-processing industries.²⁴ Similar committees were created by European industry federations, initially only in a few firms, but more broadly from the mid-1980s — in anticipation of and contributing to the statutory introduction of European works' councils in the mid-1990s.

A glance at the relevant industrial relations literature suggests that international trade union bodies in MNC were for a long time confined to a shadowy existence. Despite hopes in the early 1970s that world company councils would become the nucleus for an emerging system of international collective bargaining,²⁵ or even spear-heading a new rank-and-file internationalism,²⁶ it soon became clear that council activities were dominated by more modest tasks such as research support and information exchange. During the 1980s many councils even seem to have fallen into disarray. A more dynamic development only set in from the mid-1990s. At the global level the company councils now started to negotiate international framework agreements with numerous MNC, designed primarily to ensure the observance of ILO labour standards.²⁷ At the regional level European works' councils turned into bargaining agents over corporate restructuring in a number of firms.²⁸

How can we account both for the long stagnation and the belated breakthrough? Many industrial relations scholars enquiring into the former question during the 1970s displayed a tendency of determinism — some even suggested that the historical process of trade union integration into nation-states or 'national systems of reproduction' rendered effective international cooperation impossible.²⁹ Perceptive observers like Lloyd Ulman provided a much more complex picture. In his view national unions did have incentives to step up cross-border cooperation in MNC since the late 1960s, in particular the containment of whipsawing potential arising from the multinationals' ability to switch assets across frontiers. Competition between locations could thus encourage rather than impede international trade union action. However, the salience of this incentive was reduced not only by full employment and a number of obstacles (for example, interference of coordination with national wage differentials and bargaining structures), but also by the perceived availability of alternative national strategies to deal with multinational companies.³⁰

Deterministic explanations of failure during the 1970s and 1980s should not be exaggerated. We need to be wary of claiming that recent, successful dynamics in cross-national trade unionism herald a new era of transnational cooperation which is superior to the 'national internationalism' of the past.³¹ Rather than the emergence of a new type of transnational labour identity, the growing interest in cross-border cooperation since the mid-1990s appears to reflect a situation of increased mutual interdependence between still nationally defined union movements, which was itself mainly the result of accelerated international economic exchange.³² Many scholars also point to the growing importance of international regulatory agencies both at the global and regional level as a factor pulling trade unions towards international action.³³

While the impact of these broad changes is undeniable research about European works' councils revealed the need for a more fine-grained analysis. Confirming Ulman's analysis from the 1970s EWC seem to have turned into active negotiation bodies only in firms where a high level of inter-plant competition for investment translated into cutback threats and concession bargaining in several countries. The dynamic was strongest when operations were scattered throughout the continent, which reduced the likelihood that unions could rely on alternative national influence channels.³⁴

With these insights in mind the article will now turn to the case study of Ford and General Motors — two 'pioneers' of international union cooperation in multinational firms.

The beginnings of international trade union cooperation at Ford and GM (1953–1965)

At the outset of the case study analysis one is struck by the fact that international trade union cooperation attempts at Ford and GM date back much further than assumed in the more general literature reviewed above. Already in 1953 a conference organized by the International Metalworkers' Federation (IMF), adopted a resolution calling for the creation of international company councils in the two firms, and even though the councils were not to be institutionalized until 1966 key debates already took place during the regular IMF automotive conferences in the late 1950s and early 1960s.

The initiative for these first attempts came from the American United Automobile Workers (UAW). To an extent, the US union was motivated by a Cold War agenda to bolster 'free' trade unions in Europe against their Communist rivals.³⁵ More importantly, however, there was concern about growing investments of Ford and GM in Western Europe. UAW leaders believed that this acceleration of foreign investment would endanger employment security in the United States and that it was motivated at least partly by inferior European wages and working conditions. Fears were brought to a head in the late 1950s and early 1960s when the US economy repeatedly slid into recession, while, at the same time, automobile imports from Western Europe increased dramatically, including a sizeable volume of tied imports by Ford and GM themselves.³⁶

The UAW adopted a twin-track strategy to counter these perceived threats. On the one hand, the union promoted the concept of international fair labour standards (IFLS), to be monitored by international organizations such as GATT or ILO. On the other hand, and more importantly for this article, the UAW sought direct contacts with European trade unions with a view to improve wages and conditions in the Ford and GM plants across the Atlantic. UAW representatives dominated the IMF automotive department during the 1950s and 1960s, and used this influence to push for special Ford and GM company councils that were to serve as vehicles for transatlantic coordination. In the second half of the 1950s much energy was spent to convince European delegates to fight for the forty-hour working week along US lines, in the early 1960s the emphasis shifted towards action aiming at the upwards harmonization of relief breaks, sick pay, and other fringe benefits. Throughout the period American unionists were anxious to persuade their European colleagues to bring

wages in line with productivity growth. Moreover, while UAW leaders downplayed the potential for solidarity strikes in the US to assist European campaigns, the American union set up a special fund to support industrial action abroad.³⁷

The resolutions adopted by the regular IMF automotive conferences since 1953 often reflected these concerns, yet still by 1965 little practical progress had been made. It is not improbable that the IMF proceedings did have an indirect impact on union politics in different European countries — the forty-hour agenda, for example, appears to have influenced the campaign for the reduction of the working week by the German IG Metall from the late 1950s onwards.³⁸ However, in terms of international coordination, hardly any action had taken place.

To account for this lack of practical progress it is of little help to invoke the very general inhibiting factors put forward by many authors during the 1970s. Neither the integration into different national legal and political systems, nor language barriers and notions of national pride and identity appear to have been major obstacles.

Perceptions of competition for jobs and investments were a more serious inhibiting factor. On the part of the UAW, to be sure, such perceptions were actually at the origin of cooperation initiatives because in the United States they were linked to fears of unemployment and downward pressure on wages. The latter aspects were completely absent in Western Europe, however, and international union cooperation could thus not become associated with the setting of minimum standards to contain employer whipsawing. From a European perspective, pushing up wages and reducing hours as a result of IMF involvement could be seen as hampering future investment perspectives. In Germany, for instance, IG Metall came under heavy attack from employers for being the 'agent of the UAW' at the expense of domestic economic growth and employment, prompting union leaders to publicly downplay any ambitions for international coordination.³⁹

It is easy, however, to exaggerate the importance of these considerations. By the late 1950s Western Europe enjoyed full employment, and trade unions faced increasing membership pressure for more assertive wage policies, not least expressed in the revival of industrial unrest across the continent.⁴⁰ Against this backdrop it is perhaps not surprising that the UAW initiatives were warmly welcomed among the local union organizations in Ford and GM's two major European locations Germany and Britain. Indeed, local union and works' council leaders echoed UAW arguments about the need to couple pay more strongly to productivity growth, and claims for higher wages and benefits were repeatedly justified with direct references to bargaining agreements in the United States.⁴¹

Clearly, these attitudes created favourable rather than inhibiting conditions for the advance of international coordination, yet the problem was that the positions of local GM and Ford unionists were linked to broader conflicts about bargaining and union structures within the German and British movements, which dealt the perhaps decisive blow to such an advance. In the UK, one issue was that prospects for international cooperation attracted left-wing militants who were dissatisfied with official union policy and hoped for UAW support for their campaigns. This became particularly visible during a crisis over a union-tolerated dismissal of activists at Ford's Dagenham plant in 1962/63 when shop stewards directly approached UAW officials at the national and local level for help, thereby causing a stir in the leaderships of the two main blue-collar unions AEU and TGWU.⁴²

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Secondly, the UAW model and some tentative IMF discussions about the potential creation of separate collective bargaining channels for the motor industry in Europe appear to have encouraged attempts to form a break-away union in the UK.⁴³ At Ford, there were two such attempts in 1957 and in 1963, and both times the UAW model of industrial unionism was explicitly mentioned as a pattern that should be imitated in Britain.⁴⁴ It is hard to gauge the seriousness of these initiatives, yet they were serious enough to raise anxiety about the consequences of international coordination particularly among AEU leaders.⁴⁵

In Germany, the stakes were still higher because the UAW quite openly advocated a shift of IG Metall bargaining structures from the regional to the company level as an implication of cross-border cooperation at Ford and GM.⁴⁶ This coincided with similar reform initiatives from within IG Metall known as *betriebsnahe Tarifpolitik*, which were popular not least among unionists at Opel and Ford, as they were designed to capture the increasing wage drift in high-productivity sectors. In practice, however, the majority within the union leadership merely wished to overhaul regional bargaining structures, and opposed a radical decentralization towards company bargaining, which was perceived to imply the danger of growing interindustry wage differentials, and hence tensions within the union membership.⁴⁷ The advocates of company bargaining were ultimately defeated during a UAW-supported recruitment campaign at Ford in 1962–1964, which failed to create a precedent for decentralized company bargaining as the German-American reform coalition had hoped for.⁴⁸

Clearly, the prospects for IMF action at Ford and GM would have been better had decentralization in Germany been successful. As events unfolded, however, the connection between the debates about decentralization and internationalization turned from a potential virtuous into a vicious cycle since it caused recurrent anxiety in the IG Metall leadership about the consequences of IMF initiatives for domestic union policy. This was particularly so because company bargaining advocates at Ford and Opel often also championed a separate trade union for the car industry. There was a serious movement in this direction at Opel during the mid-1950s and at Ford during the recruitment campaign in 1963/4. As in the UK, both were inspired by the UAW model, and in the Opel case the initiative was even encouraged by UAW representatives.⁴⁹ At Ford, the affair coincided with (later denied) press reports that Walter Reuther had plans to set up a global automobile trade union.⁵⁰

Against this backdrop it was hardly surprising that IG Metall representatives, along with their British counterparts, strenuously opposed renewed proposals for the creation of international company councils at Ford and GM, which were brought up in the IMF automotive conference in 1964. It was only due to strong UAW pressure, including the 'near-threat to abandon the IMF', that the resolution was passed.⁵¹ Far from being reassured, IGM chairman Brenner warned in 1965 that the councils would lead to pressure for the creation of an international organization for automobile workers with divisive implications for German union structures. He also outlined how this danger had to be countered: the councils should not become strongly institutionalized, they should meet only if need arose, and delegates should be sent from the union headquarters only.⁵² Clearly, this attitude did not bode well for the future development of international trade union cooperation at Ford and General Motors.

Ambitious projects and their failure (1966–1974)

All past difficulties notwithstanding, the year 1966 seemed to mark a breakthrough towards international union action at Ford and GM as an IMF meeting in Detroit eventually gave birth to the long-debated international company councils. And, contrary to fears it would remain a one-off event, subsequent years witnessed a proliferation of cross-border encounters not only under the auspices of the IMF, but also between local trade union delegates at the shop-floor level.⁵³ At the origin of this development lay a transformation of public and trade union perceptions of multinational companies in Western Europe. It was in the late 1960s that the term 'multinational' started to be widely used in public and trade union debates.⁵⁴ Chief among union concerns was the growing tendency among MNC to integrate their European subsidiaries across borders, which enhanced the potential to switch investments between countries, and also the opportunities for management to use whipsawing tactics in bargaining processes. There was a strong groundswell of trade union opinion across Western Europe that organized labour needed to step up its efforts for cross-border cooperation to meet these new challenges, and consequently international company councils were created not only in the automobile industry, but in numerous other sectors, too.55

Along with the higher attention paid to the MNC problem came a number of qualitative changes, which were well reflected in the Ford and GM cases. Perhaps most importantly, there was a shift from the previously exclusive focus on bargaining coordination, towards a wider agenda featuring the exchange of information about investment and production issues, ideas for regular union-management consultation over multinational corporate planning, and initiatives for mutual strike support to counter potential employer whipsawing strategies. This agenda widening was clearly a response to company strategies of cross-border rationalization, particularly in the case of Ford with its far-reaching integration scheme under the new Ford of Europe holding since 1967.⁵⁶ As for bargaining coordination itself, more thought was given to the ways in which such a coordination could be brought about. Since the IMF automotive conference in 1968 the core idea in this respect became the synchronization of contract expiry dates in the different countries/subsidiaries.⁵⁷

All these changes went hand in hand with a trend towards regionalization. From 1969 most Ford and GM company council meetings were held on a regional basis, and the larger IMF conferences often allowed European delegates, as well as their counterparts from other world regions, to gather separately to discuss their specific problems. Likewise, the coordination of bargaining was now planned to occur first on a continental scale, as were consultation meetings with management. In 1972, for instance, IMF pressure on Ford to institutionalize regular consultation over corporate planning was not directed at the Dearborn HQ but at the regional Ford of Europe holding.⁵⁸

Despite all these new developments, however, little progress had been made in any of the envisioned directions by 1974. As in the period up to 1965 international meetings were largely filled with the exchange of information, the focus of which increasingly shifted from wages and collective bargaining, to investment and production-related aspects. To varying degrees these exchange were useful for national delegates, as they could help to underpin domestic strategies. In the UK, for example,

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unions started to regularly use IMF wage comparisons to underpin their domestic claims for higher pay since 1970.⁵⁹

In terms of international action, however, the more ambitious aims of bargaining coordination, strike support, and union-management consultation remained unfulfilled. As for bargaining, successive IMF meetings generated the usual 'shopping lists' of priority items, yet still in 1972 Ford and GM delegates had not got further than to discuss the possible advantages and difficulties of a synchronization of bargaining rounds.⁶⁰ With regard to consultation, only the Ford council made a half-hearted attempt, which was flatly rejected by the company in 1973.⁶¹ Cooperation in situations of industrial dispute usually did not exceed solidarity telegrams and some token support. During the nine-week-long strike in the UK in 1971, for example, an IMF meeting in London expressed general messages of international solidarity while in parallel overtime was worked regularly in Cologne, not least to compensate for the lack of British engine supplies, which had caused mass lay-offs in the second German assembly plant in Saarlouis.⁶²

Based on Lloyd Ulman's analysis presented above, we can interpret this lack of progress as a mix of missing inducements, inhibiting factors, and the perceived availability of alternative national strategies. Like Ulman, it seemed to many contemporary observers that enhanced management whipsawing potential in MNC was a sufficiently strong threat to national unions to pull them towards international action in the early 1970s. However, at least at Ford and GM, this threat potential was far from being the same for the different national organizations. If we take the case of Ford, there was a strong contrast between the UK where investment boycott threats by the company became a collective bargaining staple from 1968 onwards, and Germany where hardly any such pressure was applied. In fact, Germany's share of Ford's European output increased between 1967 and 1973 directly at the expense of the British subsidiary. Moreover, even in the British case the labour market impact of Ford's concession bargaining tactic was limited — at a time of strong overall growth this tactic merely resulted in a slower rise in employment compared to the rate in Germany. In the absence of actual job losses British unions were also able to fend off much of the company pressure in wage negotiations, most clearly expressed in their successful campaign for parity with Midlands motor firms in 1971.⁶³

These experiences undoubtedly also nurtured the belief that traditional national instruments of action provided unions with leverage to deal with multinational firms. Even where they manifestly did not unions often sought to tap new channels of influence at the national level. In Britain, for example, Ford trade unionists invested much effort into public and government lobbies for more state control over multinational firms in the late 1960s and early 1970s. Their counterparts in Germany placed their hopes in new legislation for supervisory board co-determination.⁶⁴ In themselves these positions did of course not preclude participation in international union cooperation, yet the perceived availability of national alternatives turned that option into a secondary matter. There were unionists who criticized these attitudes as short-sighted, yet they remained a small minority.

These obstacles notwithstanding, international strategies might still have been pursued more actively had there not been further inhibiting factors, some of which were new while others went back to the pre-1965 period. Among the new ones difficulties arising from national labour law restrictions did matter with regard to mutual strike support but could have been overcome relatively easily.⁶⁵ Of a more serious nature was management resistance given that in contrast to the pre-1965 period union initiatives now included attempts for consultations or even negotiations at the international level. As we saw in the case of Ford, management strictly opposed such attempts and also prepared plans to prevent unions from the synchronization of bargaining rounds in the different subsidiaries. In countries where labour representatives were company employees (e.g. works' councillors in Germany), managers also exerted direct pressure to prevent attendance of international union meetings.⁶⁶

The other major new obstacle was a clash about different national ways of trade union representation. This would not have been a major problem had these differences simply been mutually acknowledged as a condition of different national histories and institutions. However, delimitation from the respective other country became a prominent part of the self-understanding of British and German unionists from the late 1960s onwards. On the one hand this reflected broader national debates. In the UK, frequent employer praise of German industrial relations reinforced already widespread scepticism towards works' councils, in Germany union leaders started to use the 'British disease' notion as a contrast to their own 'responsible' behaviour to underpin ambitions for parity co-determination.⁶⁷ On the other hand, these views were accentuated by plant-level experiences. Among Ford UK unionists the lack of militancy in Germany could easily be perceived as a factor undermining union campaigns in Britain, while German labour representatives often complained about the hardships workers had to suffer as a result of lay-offs caused by frequent strike action in the UK.⁶⁸

In continuity with the pre-1965 period perceptions of investment competition also inhibited progress. Indeed, these became stronger against the backdrop of the new pattern of double or triple sourcing of identical vehicles particularly at Ford, which made plants in different national subsidiaries more comparable and substitutable.⁶⁹ On the other hand there were few signs of recognition that these rivalries played into the hands of management mainly because, as we have seen, inter-plant competition affected national subsidiaries to different degrees, and was nowhere linked to job cuts or downward pressure on wages.

Finally, there was the old problem of national bargaining and union structures. In the UK a Left shift within the TUC relaxed former anxieties about international Communist infiltration, but fears that notions of international wage parity could erode national solidarity were still present. In 1970 TUC General Secretary Feather warned against 'premature moves' towards international harmonization, which would create a new elite of workers and thus much increased wage differentials *within* the countries concerned.⁷⁰ In the German Ford and GM branches the idea to boost domestic wages through international coordination enjoyed renewed popularity in the late 1960s and early 1970s, again connected to broader domestic decentralization debates and half-secret schemes to create a separate trade union for the car industry. Yet again, the IG Metall leadership took determined steps against these aspirations as it came out openly against international bargaining coordination in MNC.⁷¹ Indeed, by 1974 the German union even declined to participate in further attempts to institutionalize regular consultation meetings with Ford of Europe, fearful that such consultation could turn into collective bargaining, and hence encourage separatist developments within the union.⁷² Facing resistance from the company and one of the most important national centres the IMF was forced to abandon the project.

Decay and seeds for future change (1975-1987)

Some may describe the period following the recession of 1974/5 as the 'dark age' of international union cooperation at Ford and GM, others may perhaps see the crucial difference in the fact that the gap between ambitions and reality was not as wide as in earlier decades. As a matter of fact, the activities of the IMF decreased, meetings of the Ford and GM company councils were now usually organized only in response to specific emergencies, for example, the 1978 strike at Ford UK, the cutbacks operated by both firms during the 1980/81 recession, or GM's creation of a new European headquarter in Zurich in 1986. The meetings themselves focused almost exclusively on the exchange of information, predominantly in relation to company investment and production planning, and they usually ended by adopting a resolution, which in very general terms expressed protest against Ford or GM policies.⁷³ After the failure of the early 1970s attempts for the coordination of collective bargaining and for union-management consultation at the European level were abandoned, while the 1978 Ford meeting revealed once more the inability of the unions to provide some effective means of international strike assistance beyond general messages of solidarity — no agreement could be reached on an overtime ban to support British workers.74

Local contacts at shop-floor level continued to be organized more frequently after 1975, indeed in the case of GM, given the company's belated internationalization process, it was only now that such meetings were regularly held. However, agendas were largely confined to the exchange of information about company forward planning. For example, GM/Vauxhall shop stewards' main motivation for meeting their Opel counterparts in the mid-1970s was to get a clearer picture about future GM plans in the UK.⁷⁵ Moreover, shop-floor exchanges suffered from the lack of financial assistance by union headquarters, at least in Germany still motivated by fears about potential negative consequences of international coordination for national union cohesion.⁷⁶ Meetings at GM were for a long time organized and financially supported by industrial and social services of the Anglican and Protestant churches who performed the role national union federations declined to play.⁷⁷ There also emerged some new independent grassroots initiatives, for example, the 'Transnational Information Exchange' (TIE) but their activities had rather little practical effect.⁷⁸

The relative decline of ambitions and activities after 1975 is perhaps little surprising in light of the failure of the far-reaching schemes of the late 1960s and early 1970s. Particularly during the late 1970s there was much disillusion as leading national organizations like IG Metall declared that international cooperation in MNC should be confined to information exchange, rather than going down the 'wrong path' of bargaining coordination.⁷⁹ Moreover, investment competition between European Ford and GM plants further intensified in the wake of the 1974/5 recession, and again after the second oil shock in 1980/1. By the mid-1980s Ford Germany's works' council chairman Kuckelkorn described the relations between Ford of Britain and Ford of Germany as 'economic war' — including the respective trade union representatives.⁸⁰ The dominant IG Metall group in the works' council used the argument of European investment competition even in its election campaigns.⁸¹ Reports of international meetings revealed the helplessness of the unions to address these problems in a cooperative way. As a British Ford representative put it at a conference in 1985: '[...] at the end of the day we are having to deal with this question of competition. I do not know the answer because in a strange way the capitalist Ford Motor Company is being more socialistic by spreading work around the world, than perhaps we as, I believe socialists, would do voluntarily'.⁸²

At this point it is worth recalling that competition for jobs and investment, while often constraining international union cooperation, has historically also been at the origin of some of the most successful instances of such cooperation because it came to be seen as necessary to limit a competitive spiral likely to damage all concerned trade unions. In this context, one may wonder why such a dynamic was not set in motion at Ford and GM during the 1980s given that inter-plant competition for investment now coincided with employment cuts for the first time. This question is all the more pertinent as there was a growing awareness that trade union actions to save jobs in one country could have negative repercussion in another. The local content and 'Buy British' campaigns launched by British trade unions at Vauxhall between 1983 and 1985, for example, caused a great deal of anxiety in the Opel works' council.⁸³ In the case of Ford, British and German trade unions were involved in bidding for a new engine plant in 1984, not least through government lobbies for investment grants.⁸⁴

These episodes, however, did little to further interest in international trade union action. First of all, the impact of investment competition was still very different. Ford and GM union representatives were fully aware that German subsidiaries suffered much lower headcount reductions than their UK counterparts after British assembly plants had been by and large downgraded to the supply of the domestic market in the early 1980s.⁸⁵ This limited the potential for international cooperation in both countries — in Germany the matter was of still limited urgency, while in the UK trade unions lobbied for the expansion of domestic production volumes, which was difficult to reconcile with union interests in other countries. The perceived availability of local and national strategies further reduced that potential. In Germany the works' councils became more experienced in using co-determination to exert influence on European forward planning, in the case of Opel until 1986 facilitated by the fact that German management simultaneously coordinated GM's European facilities. In the UK, unions concentrated on campaigns against tied imports from German, Spanish, and Belgian Ford and GM plants, for which they mobilized employee, public, and consumer support.86

However, as is so often the case, a period of decline also sowed some seeds for future progress though this occurred largely as an unintended consequence of changes in company policies and the broader economic and political environment. Clashes about the 'best way' of trade union representation, for example, were still very prominent between 1975 and 1979, in particular at GM where British representatives launched an ill-designed attempt to convert their German counterparts to the UK brand of trade unionism.⁸⁷ Yet, such conflicts clearly diminished in importance from

the early 1980s onwards. Under the pressure of more aggressive management strategies and the onslaught of Thatcherism British unions, though to different degrees in the two companies, slowly shifted towards a more moderate stance, best reflected in the drop of strike activity.⁸⁸ This brought them not only closer to German-style partnership attitudes, but also reduced conflicts arising from the cross-border repercussions of industrial action in the UK. At the same time, German perceptions of British trade unionism shifted from notions of 'disease' towards sympathy with a victim of neo-liberal attacks.

The long-time difficulty related to the potential interference of international initiatives with national bargaining and union structures also lost some of its significance during the 1980s. Here, the crucial changes occurred in Germany where ideas to use international coordination to achieve a decentralization of domestic bargaining had repeatedly led to clashes between the Ford and Opel works' councils, and the IG Metall leadership. Decentralization itself had previously been promoted on the assumption that it would enable local union organizations to exploit the two companies' superior ability to pay but by the mid-1980s the correctness of that assumption became doubtful. Particularly in the case of Ford international transfer pricing translated into net losses of the German subsidiary on several occasions during the 1980s, and consequently Ford unionists abandoned decentralization ideas, and started to appreciate the 'safety net' of regional bargaining.⁸⁹ In turn this reduced the salience of one of the crucial obstacles to international union action since the late 1950s.

Finally, despite heightened competitive thinking the 1980s also witnessed the emergence of a new 'European' trade union discourse especially in the case of Ford. A new company alliance with the Japanese firm Mazda and other signs of a beginning process of global restructuring led German and British trade unionists in the product development to voice their concern about 'American and Japanese intrusion in European responsibilities'.⁹⁰ In 1986, a joint approach was made to Ford of Europe management to lobby against a stronger role for Mazda in Ford's product development division.⁹¹ Thus, the closer connection of Europe with other continents in terms of business strategy helped to create a sense of unity between British and German trade unionists — despite ongoing rivalries about the allocation of workloads. While this remained an isolated example during the 1980s it was to become much more significant in subsequent years.

Towards more effective cross-border cooperation (1988–2001)

The last decade of the twentieth century witnessed the breakthrough to more effective international trade union cooperation at Ford and General Motors in the guise of European works council (EWC). By 2001 these works' councils had become negotiation partners of European group management, and had concluded several framework agreements related to company restructuring measures. In the case of the more active GM council the first agreement occurred in the summer 2000 pertaining to European power train operations, which were to be transferred into a joint venture with Fiat; it gave long-term employment and wage guarantees for the concerned workers. In the spring of 2001 the EWC negotiated a second European framework agreement in the wake of a crisis over the plant at Luton (UK). In October of the

same year yet another agreement related to a European restructuring programme was concluded, which guaranteed that restructuring would be carried out without plant closures and forced redundancies. In the case of Ford the EWC achieved two agreements in 2000/I giving employment and wage guarantees to workers in processes of outsourcing.⁹²

There was nothing inevitable about these developments, and it is crucial to note that the achievements remained modest, a point to which I will return in detail below. One new key feature of the European works council was that they emerged in response to supranational legislation by the European Union, which mandated their creation in 1994 though this legislation itself was partly triggered by the prior creation of voluntary councils in a number of companies. The importance of this new legal framework needs to be emphasized, highlighting by implication that its lack in previous decades had been a further inhibiting factor for international trade union action in MNCs. It is also true, however, that European legislation initiatives related to statutory consultation bodies in MNC date back to the 1960s,93 and while their failure was mostly due to employer resistance it also appears that they were not seriously taken up by the trade union movement. It was only by the late 1980s that the European Trade Union Confederation (ETUC) became an energetic supporter of a renewed Commission attempt to establish consultation bodies in MNC through EU legislation. At the same time, the sector-level federations, in the motor industry the European Metalworkers' Federation (EMF), put pressure on individual firms to conclude voluntary agreements, which could be used as precedents for future legislation.

In the case of Ford and General Motors it was crucial that the major national organizations in Germany and the UK supported these moves. In Britain, the Amalgamated Engineering Union launched an initiative for the establishment of European works' councils at Ford and GM already in the fall of 1988.94 Reactions at company level and in the wider movement were mixed initially but soon a majority shaped up in favour of the scheme, not least because there was a growing perception that the national strategies of the 1980s, especially the mobilization of employees, public opinion, and consumers to secure investment in the UK, could not anymore be pursued as effectively as before. Crucially, company responses to the Single European Market legislation in the late 1980s undermined the focus on the domestic market. Given that the Act set out to abolish a whole series of subtle mechanisms of national market segregation, such as technical standards or public procurement provisions, Ford and General Motors took the occasion to accelerate cross-border rationalization. Truly pan-European sourcing arrangements were now even embedded in schemes of global production integration.95 British assembly units became essentially one-model plants with a much higher share of their output going into exports. From a union perspective this made local content campaigns or strike action against tied imports much less powerful instruments than in the early 1980s, quite apart from the fact that growing unemployment and Tory legislation made it generally more difficult to mobilize workers. Instead, it became of utmost importance to create regular channels of access to European management, and also to establish closer contacts with other national unions, the latter in particular because local concession bargaining — as reflected in a wave of working time and shift agreements in European GM locations in 1987/8 — now often played a crucial role for investment decisions.⁹⁶

Significantly, there was a similar reassessment of the situation by the leadership of IG Metall in Germany — previously one of the main opponents of unionmanagement meetings at the European level. The above-mentioned wave of concession bargaining in European GM locations had led to major conflicts between the works council of different Opel plants, and had caused uproar in the IG Metall leadership because of their implications for national collective bargaining standards.⁹⁷ There was a strong resolve to contain such developments through the establishment of European-wide consultation bodies. The new IG Metall chairman Steinkühler emphasized that German unions, in contrast to earlier periods, were now to some extent dependent on the support of other European labour representatives in companies such as Ford and General Motors.⁹⁸

This evidence suggests that from the late 1980s some of the key factors that had previously constrained international trade union action slowly lost salience. Concession bargaining spirals affected national unions more negatively and more evenly than in the past. At the same time, national action channels appeared to be less effective to address these growing international challenges. Against the backdrop of these developments a series of international trade union meetings were held in both firms. In May 1991 representatives from all European Ford locations gave a mandate to the EMF to seek a voluntary agreement with Ford of Europe for the establishment of a European consultation structure, followed by a similar decision at GM in February 1992. During the meetings a concern for the defence of 'European interests' in processes of global corporate integration became strongly discernible; leading Opel works' councillors, for example, spoke about the necessity for a new 'European thinking' when GM was investing large sums in other parts of the world.⁹⁹

In the face of management resistance the trade union efforts remained at first without success, however. Senior Ford and GM figures made it plain that they would not engage in European-level consultation unless they were forced to do so by EU legislation.¹⁰⁰ On the union side itself, there were also still ambiguities as national organizations were not prepared to opt for European works' councils at any prize. The German IG Metall was adamant to ensure that international consultation bodies would not tamper with domestic union structures, even though there was now much less desire for such a course among local Ford and GM unionists than in the past. In Britain, union leaderships were wary that EWC election procedures through universal balloting could encourage non-union forms of labour representation. These concerns led to protracted negotiations even after management was forced to accept the establishment of EWC with the passage of the EU directive in 1994. It was only in 1996 that European works' councils were finally created in both companies.

The existence of EWC did not mean an automatic breakthrough to negotiations at European level. According to EU law EWC were confined to information and consultation purposes, and to this day this has remained the prevailing practice in most firms.¹⁰¹ That the Ford and GM councils turned into negotiation bodies by the year 2000 primarily reflected the emergence of what I have elsewhere described as 'trade union risk community'.¹⁰² This involved an internal and an external dimension — both had been discernible since the late 1980s but were strongly reinforced in the

second half of the 1990s. On the internal side, trade unions at Ford and GM were confronted with the acceleration of intra-European competition for investment linked to almost permanent pressure on employment and wage levels; in both firms major new investment projects were now organized as tenders between locations. Moreover, against the backdrop of their declining market shares Ford and GM embarked on cost-cutting restructuring programmes, which were often accompanied by public speculation about plant closures. Compared to EU-based firms like Volkswagen, Renault, or Fiat, national unions were more evenly affected by these threats because of Ford's and GM's lack of a European home country — closure threats often hung over several plants at the same time.¹⁰³

Between 1997 and 1999 this situation led national unions to seek unilateral and often secret negotiations with local/national management, deliberately designed to obtain investment at the expense of other locations. In exchange for management commitments with regard to future investment unions agreed to wage cuts and measures to improve labour productivity. At General Motors, for example, an agreement concluded by the central German Opel works' council triggered a spiral of concession bargaining in Belgium, Spain, and the UK. Continuing along these lines appeared to entail the danger of ever new rounds of concession bargaining, and hence a race to the bottom in terms of wages and working conditions in all locations. This strongly strengthened the belief in the need for cross-border understanding to protect national standards in a longer-term perspective. The practical procedural consequence was that national representatives mutually committed themselves to refrain from unilateral concession bargaining in situations of European restructuring prior to the conclusion of a framework agreement by the EWC.¹⁰⁴

Next to this perception of mutual vulnerability within Europe, Ford, and GM labour representatives also developed a sense of shared (West) European vulnerability vis-à-vis locations in other world regions, which gave additional momentum to EWC initiatives. As we have seen this concern had roots going back to the early 1980s yet it was now strongly reinforced against the backdrop of rapidly changing production geographies (Ford and GM investments in Eastern Europe and Asia), and the acceleration of global product standardization, which meant that future investments could not anymore be taken for granted by virtue of the company's need to sell a distinctly European model range. Against this backdrop the lobby for the 'production location Europe' became a crucial EWC task particularly in the case of General Motors, translating into the advocacy of 'European autonomy' in terms of products and production, but also into the promotion of a stronger role for European operations within global schemes.¹⁰⁵

The 'risk community' perception underpinning this EWC development again highlights the ambiguous role of investment competition for international trade union cooperation in MNC — if competition affects locations evenly and in a strongly negative way it can be the decisive factor favouring rather than impeding cooperation. Even so the achievements remained modest. On the one hand, European works' councils at Ford and GM took up only one dimension of the historical agendas of international cooperation, namely the set-up of union-management consultation organs, which were then turned into negotiation bodies with regard to restructuring

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and corporate planning. By contrast, the older ideas about coordinated wage bargaining and strike policies were not revitalized. On the other hand, EWC agreements never provided more than broad and defensive safety nets (for example, no plant closures), leaving the majority of the detailed restructuring to be carried out at local or national level. In many instances, sites were affected to very different degrees, and the EWC was at best able to contain the continued competition between plants in different countries.¹⁰⁶ Cross-border cooperation remained fragile, issue-specific, and dependent on the coincidence of local and national interests.

Conclusion

At the beginning of the twenty-first century the European works council at Ford and General Motors are widely regarded as the most outstanding examples of crossborder trade union cooperation on the continent, and it seems likely that their future development will have consequences far beyond the companies themselves. This article has attempted to reconstruct the history of international trade union networks in the two firms in a longer-term perspective. It has demonstrated that this history cannot be read as a slow progress towards a transnational labour identity. The pattern of international cooperation evolved largely in response to shifting economic and political circumstances. Early attempts in the 1960s and 1970s might have been successful had labour market implications of company strategies been more threatening and had cooperation attempts not interfered with national bargaining and trade union structures. The 1990s would have brought little innovation had there not been a change in the 'mix' of incentives and obstacles for international action, complemented by a growing perception that alternative national influence channels could not anymore be pursued as effectively as before. By implication, further progress in the future cannot be taken for granted; indeed, the role of EWC may decline again if those challenges, which brought about the European trade union 'risk community', recede into the background.

There is of course the possibility that socialization effects will make international networks more immune against future setbacks but little points to a scenario in which Ford and GM trade unionists will shed national allegiances in favour of a new transnational identity. In many ways, the environment of multinational firms tends to perpetuate these national allegiances, not least because of the powerful association of investment competition with the old notion of the international economy as a sphere of competition between nations.¹⁰⁷

Essentially, these conclusions represent a warning against a reading of events as heralding a new age of labour transnationalism destined to overcome union parochialism. If anything, this parochialism, reflecting trade unions' distinct logic of collective action,¹⁰⁸ seems to be in a process of transformation towards a new, geographically extended form: Eurocentrism. The Ford and GM case study material clearly suggests that European cooperation was in part achieved through a conscious juxtaposition of (West) European and non-European interests. Significantly, this process appears to have been accompanied by increasing tensions between European labour representatives and the American UAW.¹⁰⁹ From a longer-term historical perspective this development is ironic given that the US automobile trade union had played a pioneering role for international networks in both firms during the 1950s and 1960s. It also highlights the danger that European works' councils increasingly turn into protectionist instruments defending parochial European interests against those of workers in other world regions.

Notes

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- ¹⁰⁴ Herber and Schäfer-Klug, pp. 52–54.
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