



European employee cooperation vs. company internal competition at General Motors Europe

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GMEECO-Project
General Motors Europe
Employee Cooperation



Background:

GMEECO-Project:
General Motors Employee Cooperation
(Coordinated by IG Metall – funded by the EU / social dialogue)

PhD Project:
Labour relations in the automobile industry. A Swedish-German comparison
(University of Kaiserslautern – funded by Hans-Böckler-Foundation)



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Structure

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2. Collective employee actors at GM - overview
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1. Site selection processes at General Motors

- GM uses company internal site selection processes to play off workers and plants systematically against each other
- GM's aim is a process of downward spiralling of working conditions. The single plants and their employee representatives are supposed to outbid themselves to safeguard their plants – “beauty contests”
- The plants have to apply for future production in a formalized competition
 - GM pretends a fair competition
 - From an employee perspective this has nothing to do with fair competition – e.g. differences in the age of the production technology, employee structure are not taken into account and are not in the responsibility of the employees
 - The logic of site selection processes potentially destroys solidarity across plants and countries

2. Collective employee actors at GM - overview

Plant Representatives



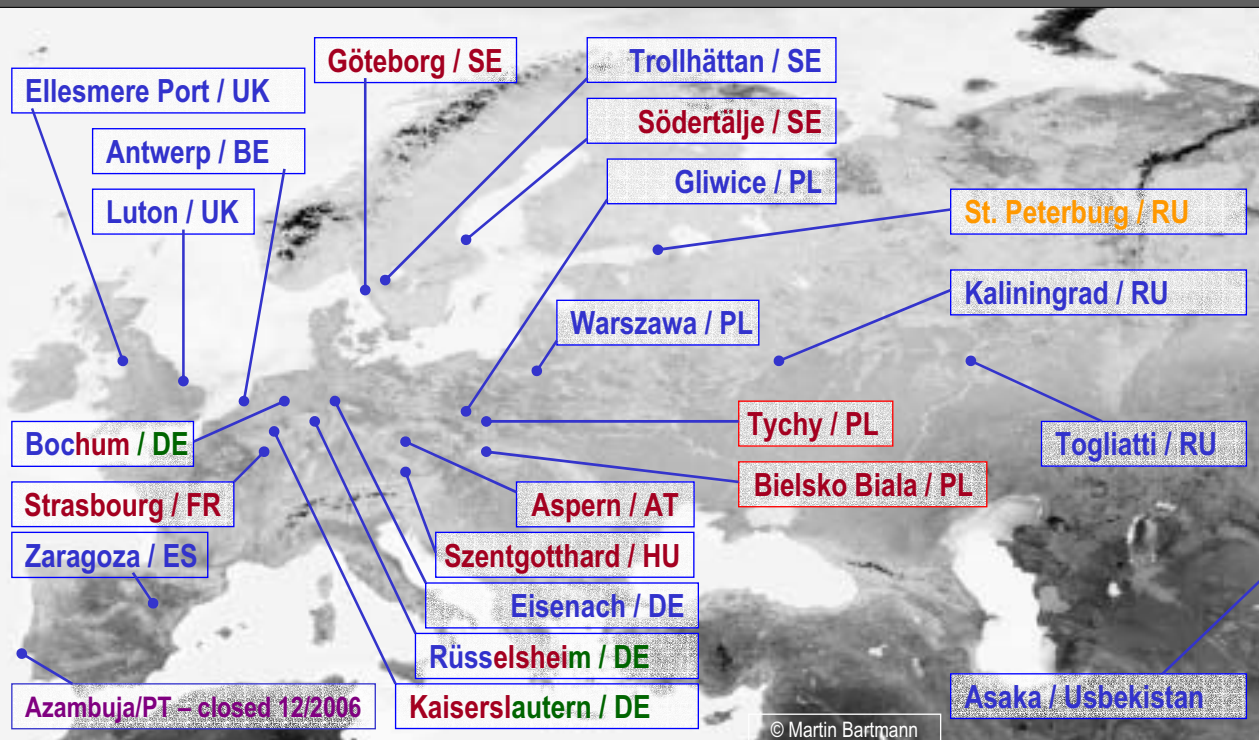
- Employee representatives on plant level
 - Different juridical and organizational constructions
 - Unified trade unions, status differentiated unions, political and/or religious orientated unions
- EEF - European Employee Forum
 - European Works Council of GME
- TUCG at the EMF – Trade Union Coordination Group
 - Representatives of all European GME plants
 - Representatives of the involved national unions (only of member-unions of the European Metalworkers Federation – EMF)
- JDWG – Joint Delta Working Group
 - Association of the plant representatives of the 5 plants competing about the next Delta production
 - Representatives of the national/regional union organizations are involved, too – but varying engagement

Worldwide Action Group

- Varying participation of the different countries
 - No World Works Council – until now the UAW was not interested (current change?)

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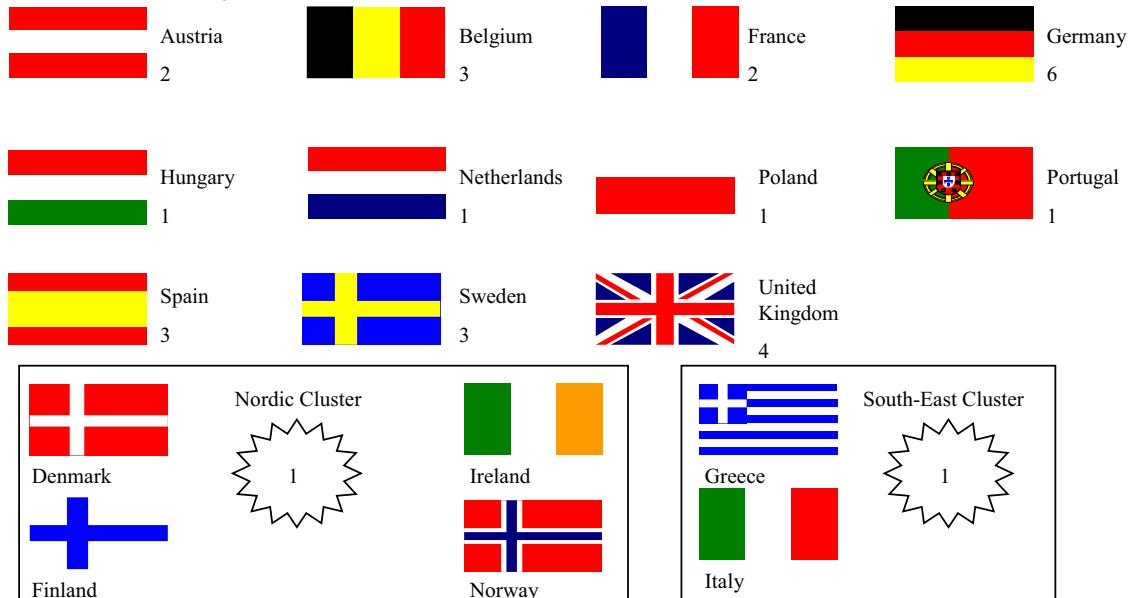
Plants of General Motors Europe



Legend: Assembly - Powertrain - Components - Closed Down - Under construction/planning - Joint Venture

3. European Employee Forum – the EWC at GME

Nominated Employee Representatives



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- The EEF has developed a strategy that is going far beyond the information and consultation rights of the EWC-directive
- In 2000 the first European Framework Agreement was negotiated (GM-Fiat-alliance)
- In 2000 first European Action Day (Against the closure of the Vectra-plant in Luton)
- In 2006 Actions at all European plants against the closure of the plant in Azambuja/Portugal
- 3 May 2007: European Action Day to support the Antwerp plant
 - European negotiation ability through European Framework Agreements
 - Ability of European mobilization
 - Creation of trust and information sharing structures between the employee representatives of the European plants
 - Early incorporation of the East European plants in the EEF
 - Trade Union Coordination Group of the European Metalworkers Federation – integration of the national unions
 - View widened on global cooperation (the US-centred attitude of the UAW avoided a World works council at GM until now)

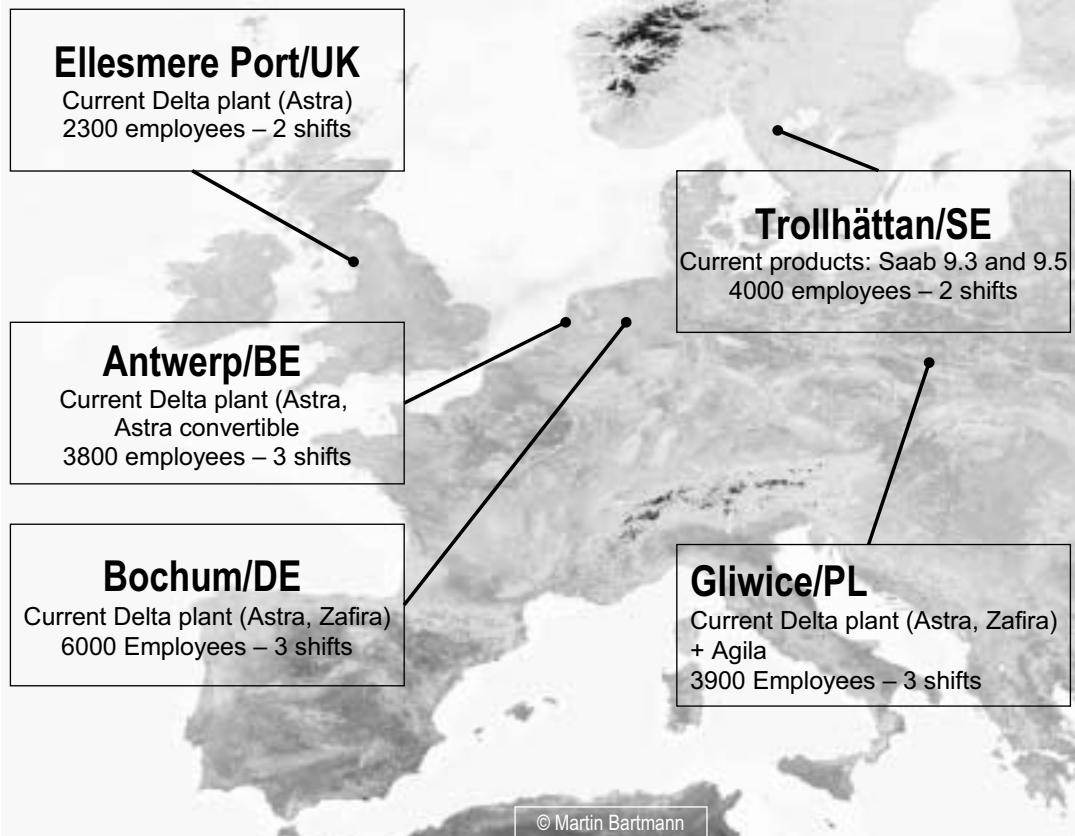
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4. The Delta (Astra) site selection process

- 5 plants have to compete about the production volume of the next compact class car generation of GM (Astra/Zafira – GM-jargon: Delta-platform)
- 20 000 employees are affected - Approx. 750 000 cars per year
- The strategy of GM is to create maximum uncertainty
 - “only 3 plants can survive“
 - Spreading of rumours that more plants could join the Delta-competition (e.g. Eisenach, Rüsselsheim)
 - Spreading of rumours about concessions of plants
 - Creation/acquisition of further (over-)capacities in Eastern Europe
 - Rejection of European negotiations about the Delta II production
 - Rejection of European negotiations about capacity utilization problems of the current Delta I production

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5 plants compete about the next Astra/Zafira production of GME



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- GM pretends to have a fair competition reflecting unambiguous economic variables
- From an employee perspective it is not a fair competition
 - A lack of investments is not in the responsibility of the employees
 - A bad model policy is not in the responsibility of the production workers
 - Different employee structures (e.g. age structure) lead to differing cost structures and chances in the competition
- GM management itself shows that many more conditions are important for their decisions
 - In which country is it easy and cheap to cut jobs? Impact of national laws and contracts (rules for severance payments, job security, early retirement, etc.)
 - Which West European markets are core markets for GM
 - Plants fit for industrial action are in danger in the long run
 - In the short run plants that are not able to fight are in a danger of losing jobs (e.g. cut of 3rd shift in Ellesmere Port)

The Decision in April 2007 (Antwerp will not get the new Astra) shows that GM did not stick to the announced rules for the competition

5. The response of the employees/unions – the Joint Delta Working Group (JDWG)

- The Joint Delta Working Group was founded proactive foreseeing the Delta site selection competition – January/February 2005
 - Plant representatives + representatives of regional and national union organizations
 - Close cooperation with the EEF and the TUCG at the EMF
- Development of a solidarity strategy of the 5 plants as counter offensive to the logic of competition of GME
 - In December 2005 the Delta plants resolved a solidarity pledge
 - No local negotiations about Delta II
 - No plant closures
 - No forced redundancies
 - „Share the pain“ strategy for Delta I overcapacity problems and Delta II volume distribution
 - Joint Actions in May 2007 to support Antwerp

Reaction of GM to the JDWG

- No acknowledgement of the JDWG as negotiation partner – neither for Delta I nor for Delta II
 - Management accepts Delta-group as negotiation partner not before 2007
- Disinformation campaigns to destroy the solidarity of the group
- Unilateral decisions – e.g. the cut of the 3rd shift in Ellesmere Port
- Quasi-military counter strategy
 - Double Tooling at suppliers
 - Creation and acquisition of unreasonable overcapacities to force the possibility to black-mail the employees and plants
- Dishonest negotiation strategy (After they could not avoid European negotiations about the Delta-issue)
 - Promise in April 2007: No closure of a Delta-plant
 - One week later GM offers a production volume for Antwerp that would lead to a plant closure in the mid-run
 - Always new demands of further cost savings
 - Use of non-elusive economic figures

6. The EU-funded GMEECO-project

- IG Metall applied for a EU-funded project to force the cooperation of the employee representatives of the Delta plants (Social dialogue programme of the EU)
- In companies like GM the opportunities of the EWC-directive are totally insufficient to have a symmetric situation of power between management and employees
 - The possibility of functional conditioned working groups like the JDWG has not been planned
 - A continuous trans-European work is not possible
- GMEECO-Project work:
 - 2,5-day-workshops at all 5 involved plants
 - Organization and coordination support
 - Organisation and payment of translations
 - Scientific expertise
 - Vice-versa plant visits of works councils, shop stewards and employees

7. Challenges for trans-national employee cooperation

- 5 differing national systems of labour relations
 - Example 1: Overtime ban
 - Example 2: Relevance of collective agreements
 - Example 3: Job security strategies
- Trust and a joint code of communication
- Joint work language
- Readiness to have more than symbolic actions for other plants/employees (e.g. Azambuja- and Antwerp-actions)
- Development of joint forms of action
 - Balancing of joint actions – who can do what?
 - Risk for those plants that are able to fight
- Short-sighted safeguarding of single plants has to be replaced by a middle-sighted safeguarding-strategy for all plants
- Continuous information of employees about European and Global issues
- Pragmatic use of all resources you can get
- Balancing of Cooperation vs. competition logic – we live in a capitalist world
- Development of a economic counter-concept to management plans

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8. Strengths and weaknesses of employee cooperation at GME

Strengths	Weaknesses
Plant closure could be avoided	Job losses – until now no mid-term safeguarding of the plants
Building of trust relationship	Involvement of the national unions – high fluctuation – conflicts about strategies
Ability for European wide Actions A ▶ 4 A ▶ 5 A ▶ 8	Lack of knowledge about the different national industrial relations systems
	Reactive approach – pushed by management demands Lesson from Azambuja – The EWC has to be active before investment decisions are made
Pragmatic acquisition of resources	Partially relapse to logic of local negotiations
East-West conflict pattern was overcome	Involvement of the employees is partly insufficient
European negotiations are partly accepted by management	Different levels of information
The JDWG is accepted as negotiation body de facto	Sustainability of the JDWG level of cooperation without project resources

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9. Trans-European employee cooperation at GM as blue print for the organization of solidarity in multinationals?

- The JDWG shows that trans-national cooperation and solidarity is possible
- The participation of the employees in the actions shows that a trans-national solidarity strategy can be communicated
 - What degree of pressure and what time can the solidarity withstand?
- The GMEECO-project shows that resources for continuous European coordination can lead to a new degree of cooperation
 - What happens at the end of the project?
 - An expansion of the EWC-directive is necessary – realistic short-term-perspective?
 - Are the national unions and/or the EMF able and willing to fill the gap of the EWC-directive?

- The massive pressure and the brutal site selection processes at GM may have encouraged the employee representatives to cooperate
- But in principal strategies like the JDWG would have better chances to be successful in companies that are not so union hostile like GM
 - In these companies such approaches currently do not exist – paradox situation
- Future site selection processes at GM and other Companies will be global
 - Lack of global employee cooperation
 - No legal basis like the EWC-directive on global level
- In the mid and long-run there is no alternative to trans-national employee cooperation and solidarity
- With local concessions employees only buy time – there will always be a cheaper, younger, more modern plant
- Only if employees are able to reduce the trans-national competition there is a chance to regain sustainable influence on the labour process

Actions Azambuja

➤ Actions all European GM plants

13 June

Azambuja: Workers stage a six-hour stoppage

16 June

Azambuja: Workers stage a 24-hour stoppage

19 June

Azambuja: Workforce rally, halting production

Kaiserslautern (Germany): 'Info meeting' involving all workers on the late shift, halting production for four hours. Workers at the GKN components plant support the action.

20 June

Rüsselsheim (Germany): 'Info meeting' involving the early shift, halting production for three hours and resulting in the loss of 200 vehicles

Zaragoza (Spain): Workers stage a stoppage, halting production for eight hours and resulting in the loss of 550 vehicles.

21 June

Aspern (Austria): Workforce rally involving all shifts, halting production for three hours and resulting in the loss of 640 gearboxes and 320 engines



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23 June

Antwerp (Belgium): Workforce rally involving all shifts, halting production for six hours

Szentgotthard (Hungary): Workforce rally

25 June

Antwerp: Workers stage a stoppage during the Sunday-Monday night-shift, halting production for two hours and resulting in the loss of 160 vehicles.

26 June

Trollhättan (Sweden): Workforce rally involving both shifts, halting production for four hours

Gothenburg (Sweden): Workforce rally, halting production for two hours

Södertälje (Sweden): Workforce rally, halting production for two hours

27 June

Bochum (Germany): Workforce rally involving the early shift, halting production for three hours

Eisenach (Germany): Workforce rally involving all three shifts, halting production for 4.5 hours and resulting in the loss of 150 vehicles

28 June

Ellesmere Port (UK): Workforce rally involving all three shifts, halting production for four hours. Stoppages at TDS (suppliers) and rallies result in the loss of more than 1,800 vehicles.



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29 June

Azambuja: Workers stage a 24-hour stoppage and organise a 'march on Lisbon', marching to the Portuguese Parliament with their families, EU representatives and European trade union officials.

Strasbourg (France): 'Info meetings' involving all shifts

30 June

Bielsko-Biala (Poland): 'Info meetings' involving all shifts

3 July

Tychy (Hungary): 'Info meetings' involving all shifts.

Brussels (Belgium): The EMF's Trade Union Co-ordination Group votes to suspend action from 5 July.

4 July

Gliwice (Poland): 'Info meetings' involving all shifts

Luton (IBC plant, UK): Rallies involving all shifts

11 July

First negotiations between GM management, EEF and the works council at Azambuja. GM announces closure of Azambuja. Agreement on a moratorium that there will be no redundancies until a European framework agreement has been reached. Negotiations on a European framework agreement will continue after the summer break. Until then action is suspended.



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Actions for Azambuja June/July 2006



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European Action Day

3. May 2007



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