

**Capital mobility, labour mobility, union immobility?  
Trade unions facing multinationals and migration in the EU**

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ABSTRACT

The paper addresses the issue of East-West union co-operation in Europe, through empirical evidence from case studies of western multinationals in the Czech Republic, and a review of union activities in the UK towards Polish migrants. The former show the limits of the EWC - the institution which so far has been at the vanguard of Europeanisation, but has no collective bargaining role, and does not cover the growing number of smaller MNCs. The latter point reveals how some sectors hitherto protected from international competition (especially in services) are now affected by migration, raising new challenges for trade unions. However, both, but above all the latter, also show that Europeanisation is becoming, for migrants as well as for MNC's employees, an everyday work experience that may affect everyday union practice.

## Introduction

Globalisation and Europeanisation can be seen as two apparently similar phenomena (Hyman 2005): as in geometry, “similar” means that the size may be different, but the shape is the same. If this is the case, as it is generally assumed that globalization threatens<sup>1</sup> labour (Tilly 1995, Wright 2000), Europeanisation would do the same, only to a smaller scale. Indeed, there have been similar interpretations and arguments about the difficulty for labour organization and regulations to match the new supranational boundaries of the market in Europe (e.g. Streeck 1998).

Until 2004, the main dissimilarity between EU and global phenomena was the narrow degree of socio-economic differences within the EU, which could be seen as ‘rich club’ defending its welfare through both internal co-operation and exclusionary practices (external tariffs and non-tariff barriers). The EU enlargement of 2004-07 changed this by introducing an unprecedented degree of inequality, and making the EU more similar, if not to globalization as a whole (in the EU, poorer members are a minority – worldwide, they are the large majority), certainly to its main free trade region, North America: the economic gap, as well as the population ratio, between old and new EU member states is roughly similar to that between USA-Canada and Mexico within NAFTA. Simultaneously, the changeover between Prodi and Barroso at the head of the European Commission symbolized and reinforced a gradual shift towards more aggressively neoliberal orientations in the EU, with a further marginalization of the ‘social dimension’ inherited from Jacques Delors. It is therefore after the enlargement that the EU can be seriously compared to globalization as a smaller-scale process of economic integration. This is of particular interest on the case of the trade unions, given that European trade unions have historically been the strongest worldwide. In other words, in order to know if trade unions are able to face globalization, looking at how they deal with the enlarged EU is a privileged test: here, institutional processes are more visible, and trade unions have more resources. If they cannot deal with Europeanisation, *a fortiori* trade unions should struggle with globalization – unless we argue that the only way for trade unions to react is realize not to have anything else to lose.

This paper will test the hypothesis, formulated before 2004 (Meardi 2002), that the enlargement creates new specific challenges for labour – as suggested by the metaphor of ‘Trojan Horse for the Americanisation of Europe’ -, but that labour has considerable space to face them. It will assess both the evidence on the nature of the challenges (the first part of the hypothesis), and the scope for labour responses. The organizational space for these responses is examined in the most direct effects of economic integration: the mobility of capital and the mobility of labour and services (as contrasted to the more indirect effects of mobility of goods.) Empirical examples from multinationals and from Polish immigration in the UK show that while cross-border

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<sup>1</sup> A number of sceptics (e.g. Flanagan 2006) deny that globalisation actually *damages* labour, first because the direct effects on inequality, employee rights or working conditions are difficult to detect and distinguish from other technological or political effects, and second because there is actually evidence of benefits outweighing costs (Gunter and van der Hoeven 2004). Still, nobody seriously argues that globalisation ‘benefits’ labour *power* or that it improves its *relative* position – so the existence of a *threat*, apparent in public debates and evident in the feeling of insecurity, cannot be denied. The same goes for those ‘labour optimists’ who argue that labour can successfully oppose globalisation (e.g. Munck 2002), and thereby acknowledge the existence of a threat to be opposed, and for the globalisation deniers (e.g. Hirst and Thompson 1996), who would not bother denying it if the idea of globalisation were not threatening.

union co-operation in multinational companies – and especially the European Works Councils (EWC) – maintain their notorious limitations in impact and extension, the largely unforeseen wave of migration has triggered more active and innovative reactions from the trade unions. Before examining the challenges and the reaction, however, the paper will need a theoretical reflection on how to measure and define cross-national labour activities. Whilst traditional industrial relations paradigms of trade unions as hierarchical monopoly organizations prove their inadequacy, new theoretical developments on federalism, new social movements and social networks offer different analytical tools – leading to potentially divergent conclusions.

### **1- Analytical tools on cross-border trade union activities**

The debate around international trade union activities has grown at the same pace as the debate on globalization. From an industrial relations perspective, sceptical views have been predominant, stressing the lack or weakness, at the international level, of what Dunlop (1958) used had called components of a stable and balanced industrial relations system, notably organised actors, rules and shared ideology. As an effect, as it has been put on the case of EWC (Fitzgerald and Stirling 2004), there is an apparent contrast between pessimistic analytical works and optimistic normative/declarative ones (Ramsey 1999). Analytical scepticism may have been caused to a ‘national bias’ of industrial relations as a field of inquiry (Giles 2000), which has certainly grown within national research traditions – not less than within the trade unions themselves (Hyman 2004, Frege 2007). But it is also based on a representation of trade unions as hierarchical organizations, with as a main faction that of ‘monopoly’ (Freeman and Medoff 1984). For instance, discipline – of the members in case of industrial action, or of local units in case of co-ordinated collective bargaining) – has been seen as an important requirement for union activity, which international union co-ordination – such as the European Trade Union Confederation – will struggle to achieve, and that hampers attempts at collective bargaining co-ordination (Traxler et al. 2008). Theoretically, such scepticism towards cross-national activities has found support in the literature on the variety of capitalisms (Hall and Soskice 2001) and on national business systems: indeed Whitley and Kristensen (1996) have made a lucid case against the possibility of European-level regulations and distinctively European companies, including in industrial relations. But it should be noted that there are further theoretical grounds for scepticism, from inter-governmentalism on EU affairs to even social movement theory: at the time of the creation of the EU, Tarrow (1994a) argued that European collective action was possible *against* the EU rather than for genuinely positive pan-European goals. More generally, the contribution from social movement theorists would stress the lack of a transnational collective identity as an obstacle for transnational union identity – an issue which has been often mention in studies of European trade unionism or of EWCs (Whittall et al. 2007), and has been detected as a potential barrier between western and eastern European trade unions (Meardi 2000).

In short, if one uses national benchmarks for assessing the chances of trade union transnational action, the assessment is likely to be pessimistic. However, studies of transnational phenomena have been growing and theoretical arguments have been suggested to interpret the transnational phenomena differently. I shall mention three examples: federalism, sociology of social networks, and new social movements’ studies.

Federalist theory has been applied in an original way to the analysis of EWCs by Hoffmann (2006). Drawing on political theories of federalism (Watts 1991, Føllesdal 2001), Hoffmann makes the apparently self-evident point that the co-ordination of different local interests and identities required from a EWC, and sometimes seen as an arduous task (e.g. Hancké 2000, Pulignano 2006), is nothing new. Federal countries have done this for decades or even centuries, and within a particularly strong federalist country such as Germany, parallel structures have emerged in the field of industrial relations as well. The *Gesamtbetriebsräte* – or central works councils – in multi-site enterprises have exactly the task of co-ordinating and mediating the interests, activities and identities of different plant-level works councils. The pertinence of federalism, defined as ‘not hierarchical systems of decentralization but non-centralised systems, in which authority is diffused among independent but interacting centres’ (Watts 2001: 228) for employee representation is then proved empirically. The analysis of a large German company with both a *Gesamtbetriebsrat* and a EWC allows Hoffmann to argue that the tasks and the mechanisms to fulfill them are not intrinsically so different at national and international level. Indeed, from the collapse of Yugoslavia onwards federalism has had a bad press and the cases of collapse have multiplied (Kavalski and Zolkos 2008), but this is not sufficient to dismiss the potential of federalist thinking on trade unionism and industrial relations. Another scholar from a successful federalist country, Switzerland, reminds frequently, in his study of the Europeanisation of trade unions, how the current EU is in many regards more integrated than Germany or Switzerland were at the time of their state unification (Erne 2008).

Another way, in which the obstacle of coordinating and mediating between different identities has been downgraded, is through approaches to new social movements. While the existence of a collective identity was a primary concern in early social movement studies (e.g. Touraine 1966, 1978), later works by Melucci (1996) and by Touraine (1997) himself have stressed how new social movements (‘societal movements’ for Touraine) can emerge from the recognition and defence of *different* identities: subjectivity and diversity become mobilizing, rather than hampering factors. Similarly, social movement approaches based on resource mobilization have started underlining the potentials of ‘coalition building’. The presence of a ‘European’, or global, labour identity would therefore no longer be a prerequisite for European or global collective action: a number of other social movements – e.g. in the antiglobalist galaxy – seem to do well without it.<sup>2</sup> Such developments in the studies of social movements go beyond the simple argument of solidarity between different groups: the application of the idea of ‘organic solidarity’, as opposed to simpler ‘mechanic solidarity’ (Durkheim 1960), to trade unions has a longer history (Hecksher 1988). But the concept of ‘organic solidarity’, while recognizing difference, still stressed, above all, the idea of social integration, and thereby subordination to common rules and objectives. The idea beyond new diverse social movement is that of multiple solidarities, non necessarily integrated

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<sup>2</sup> At a workshop when the identity differences between Polish and German trade unions was mentioned, I put forward the example of the often successful protest movements in Poland against the Kaczyńskis’ conservative governments of 2005-07, in which miners trade unions were demonstrating side-by-side with gay and lesbians’ organisations. I defy anybody to find any ‘common identity’ between middle-aged miners from Upper Silesia and young lesbian activists from Warsaw – surely even German and Polish trade unions would not be too different to work together.

into the organic metaphor of a unique body – to the point where differentiation can be a resource rather than the anomic threat Durkheim feared. This approach has already led to a reformulation of debates on labour in the USA, focussing on the interactions with a variety of social actors within the complex urban environments (Turner and Cornfield 2007). Equally, it has changed the theoretical framing of international collective action: the same Tarrow who used to see collective action as mostly constrained by national boundaries (Tarrow 1994b), has since moved to studying the processes of social movement internationalisation (Tarrow 2005).

The third recent theoretical development is the application of the sociology of social networks. Martínez Lucio, starting from the observation of how new communication technologies can be used, has discussed networking as a specific form of labour activity, that cannot be simply reduced to national/international, or agitator/bureaucrat categories (Martínez Lucio and Walker 2005; Martínez Lucio 2009.) Martínez Lucio elaborates ideas suggested already by Waterman (2001) and Hyman (2005), and especially that ‘networking relates to communication rather than institutions’ (Waterman 2001: 23), adding the analytical dimensions of sector, ideology and especially network characteristics. Networks range from ‘clubs’ to ‘chains’ and ‘acquaintances’, raising quite new organisational dilemmas for trade unions. Hennebert (2008) has developed a detailed illustration of how the sociology of networks can clarify the terms of the analysis and the organisational dilemmas, referring to a number of authors including Castells (1996), Lazega (2006) and Wasserman and Faust (1994). The core emerging issues are typologies of networks, network boundaries, power relations, and internal exchanges, density, cohesion and homogeneity.

The application of social network analysis to international trade union activities is indeed complex, but there are some important potential benefits. First, the ‘benchmark’ against which to evaluate union activities changes substantially from that of a hierarchical/institutional perspective. While most analysis inspired by views of trade unions as ‘closed organisations’ focus on direct effects of trade union alliances as such (and nearly unavoidably lament their paucity), a study in terms of networks will include indirect effects on the peripheral behaviour of the actors involved. For instance, the study of the extension of EWCs to Poland showed that while the EWC as such remain very unlikely to affect corporate decisions, they may have substantial indirect effects on local industrial relations, where the behaviour of local actors is affected by information and resources exchanged within the network (Meardi 2004). Furthermore, a network approach allows to reframe the issues of collective identity and collective action, and especially, by focusing on a ‘multiplexity’ of relations and exchanges, it overcomes the olsonian idea of an individual calculus on costs and benefits of collective behaviour: joining a network is more complex, but easier, than joining an organisation, and can take a variety of forms. Again, Erne’s (2008) research, while not using the sociology of networks explicitly, provides examples of its pertinence: the different cases of Europeanisation he investigates vary in function of the nature (expert, activist, political, professional...) of the networks that start them. A number of transnational phenomena can benefit from a network approach. For instance, the General Motors case can be seen as a process of network building, that does not eliminate the obstacles to internationalisation, but pragmatically bypasses many of them on specific issues and promotes the construction of a ‘risk community’ (Fetzer 2008). Similarly, the emergence

of transnational collective bargaining in multinationals appears to take ‘implicit’ rather than ‘explicit’ forms (Arrowsmith and Marginson 2006).

These three theoretical contributions of federalism, new social movement studies, and social network analysis are distinct and stem from different branches of political science and sociology. They all converge in offering a critique to bureaucracy and institutions as privileged lens to analyse international union activities. They separately address the three main reasons of pessimism on transnational unionism: diverging interests, lack of common identity, and institutional/organisational weakness. They may not be well-suited to the analysis of all union actions, and in particular they are missing for the study of the paramount function of collective bargaining. Yet, at the international level, since Levinson’s (1972) times it has been clear that collective bargaining would be the last stage of international unionism in multinationals – therefore not the one to start the analysis with. At the multi-employer level, there are important west European efforts at union collective bargaining co-ordination (Erne 2008, Traxler et al. 2008), but they can hardly include the new EU member states where a precondition, that is national multi-employer bargaining, is missing – although Marginson and Traxler (2005) argue that this might not be such an insurmountable obstacle. The study of cross-border unionism between high- and low-wage countries should rather start from the most directly social forms of work internationalisation, i.e. multinationals and migration.

## **2- The Enlarged EU and the Trojan Horse revisited**

The EU enlargement has provided a tough test on whether the so-called ‘European Social Model’ can be enlarged beyond the narrow boundaries of (most of) Western Europe. Indeed, at the time of the enlargement the gap between old and new member states in terms of pay, working conditions and employment was much more dramatic than any gap among the old member states (Vaughan-Whitehead 2007). The marginalisation of social issues during the accession process suggested the hypothesis that the enlargement could therefore threaten the European Social Model – or at least the aspiration to one – by ‘Americanising’ European industrial relations, in the sense of decentralisation, trade union weakening, and growing inequality. Such a hypothesis had been raised with a question mark (Meardi 2002), in order to link it with the existing subjective fears by western trade unions, and to avoid easy determinism. Actually, at the end of its discussion, it was stressed how trade unions had demonstrated to have at least some impact on the enlargement process, and therefore also the potential for resisting the Americanisation pressures. Four years after the first wave of enlargement, and six years after that argument was formulated, in order to verify its pertinence it is first necessary to remind of its grounds.

The integration of the new member states into the EU included a number of risks for EU industrial relations and especially trade unions. First, the increased scope for ‘coercive comparisons’ by multinational. Second, the increased scope for difficult to monitor movement of services and worker posting. Third, the hampering of EU decision-making on social matters. Fourth, the decline of the sector as central level for organised industrial relations. Fifth, reactionary cultural-political effects on a core area of EU social regulations, equal opportunities. Sixth, a power unbalance between labour and capital given mobility restrictions (so-called temporary arrangements) on the former. Seventh, the emergence, as it was illustrated, of *liaisons dangereuses* between eastern trade unions

and western employers, or eastern employers and western trade unions, on single market policies – which in turn would undermine cross-border trust and co-operation between trade unions of the two sides of the former iron curtain. The combination of those risks led to the paradox of the EU social dimension becoming at the same time more difficult and more urgent. Trade unions were under pressure but not helpless: Polish trade unions had managed to affect areas of the *social acquis*, and most western trade unions had resisted protectionist and xenophobic temptations and supported the enlargement (unlike US unions opposition to NAFTA).

Six years after, the assessment is that most of those risks have materialised – but that some have been counteracted by social and political action. Overall, EU institutions and policies have been unable to transfer the western social dimension to the East (Meardi 2007): important directives such as that on working time or that on information and consultation have been often transposed in ‘perverse’ ways that reduce, rather than improve, labour rights; new Health & Safety regulations are badly monitored and implemented; tripartite social dialogue, while promoted in rhetoric, has been weakened by the Maastricht criteria and competition on foreign investment. The only limited positive effects can be detected on equal opportunities. As a whole, the European Commission has demonstrated a remarkable indifference to social issues, seen as a fastidious distraction from the higher Lisbon goals of competitiveness, flexibility and modernisation.

The first five of the above-mentioned risks have proved real. On the first point, immediately after the enlargement high-profile cases of coercive comparisons across East and West occurred in well-known companies such as General Motors, Bosch, Siemens. The industrial relations implications have been particularly sharp for Germany (Fichter and Meardi 2008.) Freedom of movement of services and posting of workers have led to tensions in the transport sector and to major disputes such as at Laval and Viking, with European Court of Justice’s rulings (on these cases and on the Rüffert one) undermining unions’ efforts to protect established worker rights. The decision-making of the EU has been visibly shaken: no European Constitution, no Lisbon Treaty, increasingly difficult budget compromises, strengthening of the UK position on the Working Time Directive, and overall a sharp decline in social policy initiatives after 2004. Sector-level collective bargaining has not taken off in the new member states, and it is being undermined in some western countries such as Italy. Initiatives on equal opportunities, particularly frequent in the years leading to 2004, have stalled, with some new member states (Poland and the Czech Republic) actively sabotaging them.

However, if it is possible to disregard threats to social issues, it is impossible for governments and EU to ignore the effects that such neglect entails. Increased social insecurity after the enlargement has contributed directly to the fall of EU popularity, especially in the case of the French referendum, but also in other referenda and in the successes of Eurosceptic parties in both East and West. A timid ‘Polanyi’ counter-movement begins to be visible. To face these public support constraints, in 2008 the European Commission published a new social agenda including the revision of the EWC Directive (which had been shelved for years), a Forum for social rights for labour migrants (dealing directly with the issues raised by the Laval, Viking and Rüffert cases) and a new Equal Treatment Directive. Moreover, the enlargement exacerbated another neglected social issue: that of Roma people. Large Roma migration, especially from

Romania, and macroscopic cases of discrimination and intolerance, especially in Italy, forced the EU to take action and to publish a report, in 2008, which for the first time in EU history considers even the radical tool of positive discrimination – hitherto banned in the EU, but possibly necessary in a case where other softer tools are proving not to work. Also, social reactions to further liberalisation took place, with at least partially successful union protests against the ‘Bolkenstein’ Directive (Gajewska 2008), following the previous example on the Port Services Directive (Turnbull 2006), which even if only indirectly connected with the enlargement, had proved the potential of cross-border mobilisation on EU policies. So, it is confirmed that the social concerns marginalised by the enlargement can re-emerge even more strongly because of it.

The situation is more complex on the other two risks, i.e. the transitory periods on migration and fragmentation between Eastern and Western trade unions. This is mostly because – something not yet known in 2002 – some countries (UK, Ireland and Sweden) opened their borders to workers from the new member states immediately. Between 2006 and 2008, most other old member states followed this example, leaving only Austria, Germany, Belgium and Denmark to apply restrictions (and they may not be allowed to keep them beyond 2009). As an effect, there has been a movement of workers unprecedented in the EU, and estimated to around 1m towards the UK, and 200 thousands towards Ireland. For the first time in the EU, the assumption that mobility is a prerogative of capital but not labour has been proved wrong, and this has not failed to impact on power relations between capital and labour. Even if the ‘voice’ of employees in the new member states has remained feeble, their massive ‘exit’ has forced employers, and to a lesser extent governments, to important concessions, leading to higher than expected wage growth and some improvements in employment conditions. Moreover, the disruptive effects of exit have in turn resulted in more attention to voice, with multiple instances of trade union revitalisation and newly found assertiveness (Meardi 2007). In 2007, strike levels have been increasing (even if starting from very low levels) in the new member states while they kept falling in the old ones (Carley 2008). So, the expected threat of an immediate increase in capital power has been limited. Structurally, it is true that competition among employees for investment has increased; but at least, employees in many countries have been able to adopt similar threats and ‘coercive comparisons’ as multinationals use to do.

Unexpected migration has also modified the terms of an East-West divide among trade unions, the last of the expected threats. While trade unions usually have an interest in controlling the supply of labour and limiting migration, once migrants have arrived they have an interest in organising and defending them – bypassing reciprocal scepticism. How this has happened is discussed in section 4.

### **3- Cross-border labour responses to capital mobility**

Studies of EWC and of industrial relations in multinationals in general tend to concentrate on few large and well-known companies. This leads to some ‘self-selection’ bias, possibly portraying the general situation as ‘better’ than it actually is. In the case of multinationals in the new member states, however, there is a shortage of ‘positive’ examples even among ‘better than average’ employers. Tholen’s (2007) research on western (mostly German) companies in Poland, the Czech Republic and Slovakia detects the presence of some excellent HRM practices, but also very little impact from the EWC.



The review of public cases of transnational restructuring (General Motors, General Electric and Volkswagen) similarly showed that Volkswagen is a sort of exception with its ‘global’ industrial relations (Fichter and Meardi 2008). On a more positive side, EWC have some ‘information effect’ (Meardi 2004), leading to some mutual learning and approaching between different sites. But this does not translate in European-level action unless in few circumstances. An investigation into twelve American or German-owned companies in Hungary Poland and Slovenia in the automotive component production – a sector considered as conducive to company-level labour internationalisation (Anner et al. 2006) – found only three cases of cross-border union activity on relocation threats: in other cases, national/local strategies were actually more attractive for trade unions, either in the form of specialised production strategies to isolate plants from competition, or in the form of local political exchange that promised better returns than risky, untested cross-border mobilisation (Meardi et al. 2009).

On-going research in the Czech Republic seems to confirm that the company is only rarely a conducive field for Europeanisation.<sup>3</sup> The contribution of the research lies in the sensitivity to both sector and country-of-origin effects. The twelve case studies allow a comparison between the rather well-known automotive components sector and the finance sector, where international restructuring is of major importance but attention to cross-border industrial relations effects has been rarer (Arrowsmith and Marginson 2006), as well as a comparison between Austria, Germany and UK/US in terms of country of origin (although this paper will focus on the German and UK/US cases only). At the same time, the focus on one single host country, which is the geographically most central (a short journey for core industrial regions of Germany and Austria) and economically the most developed among the post-Warsaw Pact new member states, should offer a ‘best case scenario’ for cross-border union co-operation. The research involved interviews with managers and employee representatives in the Czech sites and in the German or British headquarters or subsidiaries, and was carried out in 2007-08.

The case studies from German and UK/US companies indicate both the weakness of industrial relations transfers and the patchy nature of cross-border union co-operation.

The two German manufacturing companies are not small, with around one thousand (of whom 50% in Germany) and nine thousands (of whom 30% in Germany) employees worldwide respectively. But they are already typical of the large number of German medium sized companies, which at the same time are strongly shaped by the German culture, and employ German HR managers abroad, but do not transfer German industrial relations practices abroad. The first company declares to be a supporter of ‘strong works councils’ in its German operations, but has introduced no independent employee representation in the Czech Republic (where there are 300 employees). As a consequence, there is no cross-border trade union co-operation either. The second company has transferred some practices into the Czech subsidiaries (over 1,500 employees), but very selectively: for instance, a suggestion scheme is reproduced in the Czech Republic, but while it is subject to co-determination and collective agreement in the German operations, in the Czech Republic it is unilaterally managed and remains

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<sup>3</sup> The research is funded by the Austrian government and co-ordinated by Franz Traxler. I am indebted to Franz Traxler, Sonja Strohmer and Manfred Krenn for their contribution. This discussion is on early findings, and is therefore only tentative and does not necessarily represent the views of the other colleagues (nor even of the author by the end of the research).

voluntary. In its foreign operations, the company respects trade unions where they exist, but never increases their participation rights above what the local law says (and seems to have even sought to prevent unionisation in its Turkish site.) The German sites are under strong competitive pressures and relocation threats, which translated into concession bargaining, but Czech and German employee representatives have hardly ever met in the fifteen years since the beginning of German investments in the Czech Republic. Only recently, the initiative for a creation of a EWC was taken, with no support from management. In companies where trade unions do not have the critical mass, political capacities and organisation resources of the large corporation, building cross-border links is a hard and slow process, even between geographically proximate countries, and in companies where there is strong cross-border competition and there are work-based cross-border contacts between employees (and even social contacts, as company-organised soccer tournaments and summer parties.)

In the finance sector, the German companies differ again from the best-known cases of Europeanisation. In the first company, there is a EWC, but the Czech operations (with only 81 employees) are not represented. More worryingly, the German employee representatives do not even know whether an employee representation exists in the Czech subsidiary, while the Czech employee representatives in the supervisory board have only a very vague idea of what a EWC is. The members of the supervisory boards are the only (statutory) form of employee representation in the Czech operations, and when an attempt of unionisation had been made, the personnel manager had threatened to leave the company. In the second company, which is bigger, more internationalised and has 700 employees in the Czech Republic, the situation is better for employee representatives. The HR department itself took the initiative to organise the elections of a Czech representative in the EWC, and even more importantly, the EWC appears to have affected a degree of 'dissemination' of co-determination practices across the European operations. These effects are hardly perceived in the Czech context though, where management has refused to increase employee participation rights above the legal limit, the Czech representatives have no information on the industrial relations practices in other countries, and have received no form of assistance or co-operation from their western counterparts. Interestingly, the Czech EWC representatives believe that there is an interest divergence between western and eastern European operations, as the former are confronted with major restructuring plans and job cuts, while the latter are in a safer situation.

The Anglo-American manufacturing case studies differ from the German ones in two respects. First, in this case employee information and participation rights are actually stronger in the Czech Republic than in the British sites: even if the British factories are strongly unionised, their relations with management are purely of collective bargaining on wages and working conditions, with very little information on work organisation or on restructuring. The Czech unions, by contrast, even if heirs of the communist-time ones, have developed strong participation activities, without however becoming deferential: there have been strike threats in the past, even if not actual strikes. Secondly, the companies have a declared preference for direct participation over indirect, especially through individual interviews and job satisfaction surveys. The same direct participation methods reveal however limitations and a social demand for more information, which translates in broader scope for trade unions. High turnover and difficult retention work in

the same way, forcing the employers to develop communication and participation further, and with the trade union organising own interviews with leaving employees, which then inspire union requests in negotiations. The EWC are not particularly strong, though, reflecting relatively little power and capabilities from the western employee representatives. The continuing assistance from the European Metalworker Federation is therefore crucial to keep the EWC working, in an effort of ‘articulated’ Europeanisation between sector and company level (Pulignano 2007). In both company, an ironic fact is that while western managers resist the EWC and see it as an impediment and a cost, the Czech managers see an advantage in it: the Czech representatives, by being informed of the high job insecurity in the West, due to restructuring and relocations, might come to appreciate more their own conditions. In a situation of overall weak trade union power, the information effect of the EWC could therefore have a ‘backfiring’ moderating impact on eastern representatives, instead of motivating them to raise social standards towards western levels. Nevertheless, in one of the companies the Polish representatives managed to solve a grievance by raising it in the EWC as potentially damaging for the company image.

In the finance sector Anglo-American companies, the preference for direct participation is even clearer. Both companies are hardly unionised in the West. The American company explicitly rejects trade unions as a ‘third, external part’ distorting the direct unitaristic relationship between employer and employees, and only accepts them when imposed by the law or by inherited conditions. Its 3,000 Czech employees have no form of collective representation besides the statutory elected representative in the supervisory board, who is a manager. The situation may change: in line with the general trend of unionisation in the Czech banking sector, at the time the research was being concluded a union organising effort was taking place. The British company introduced a works-council like ‘Employee Fora’ in most of its European operations. Interestingly, this was first experimented in Poland and then introduced back in the UK and in other countries including the Czech Republic. In spite of the big importance given to these bodies, their actual working is questionable: in the UK, it had been completely restructured after little time and was not meeting at the time of the research; in the Czech Republic, its mandate had expired two years earlier, all representatives had long left the company, and no new elections had been yet organised because management prioritised the conduction of an employee survey, a more important direct communication tool. As a simple consequence of the weakness of independent employee representation, in these two cases there are no EWCs, nor any other form of cross-border networking among employee representatives. Management is aware of the possibility of a EWC in the future, but employee representatives are too focussed on their national situation to be interested in it. Although in these companies there is very little internal competition as the markets are distinct and the services are provided in loco, some areas of the American company (Research & Development, Information Technologies) are affected by relocations, and more back-office operations are threatened to relocation to even lower-labour cost countries than the Czech Republic, notably Romania and Bulgaria. In the British company British employees are under pressure because of the much higher profitability of the eastern European businesses, which translate in potential indirect competition on new investments and expansion.

To summarise, in these Czech case studies East-West intra-labour conflicts have been avoided – but little solidarity and networking have emerged. In the manufacturing companies, where cross-border competition is strong, the problem is not – as some western trade unions expected in the past (Meardi 2004) – the quality of union representatives in the new member states: the Czech ones (even if the EU Directive on Information and Consultation of Employees has had virtually no impact) actually emerge as better informed and more active than the British. The obstacle is rather that component producers tend not to have the sufficient employment size for supporting effective international networks, so that employers can easily resist transnational employee pressures and segment working conditions levels across different sites. In the finance sector, cross-border competition is only detectable in two of the case studies, but still cross-border union coordination could be helpful in dealing with major restructuring processes. However, in this case, the weakness, and frequently absence of independent employee representation in the Czech Republic means that more time will be needed – the growing labour shortage problems might offer opportunities for union organisations.

#### **4- Cross-border labour responses to labour movement**

Even if systematic data are not available, there is little doubt that the number of employees having moved from the new member states into the old in the first years after enlargement, estimated at well above 1 million, is much higher than the number of relocated jobs, estimated at no more than 300,000 (European Commission 2006). Of course, this does not mean that labour mobility is higher than capital mobility: there are a number of possible ‘indirect relocations’ in addition to the rare direct relocations in the narrow sense (Meardi et al. 2009), not to speak of the trade effects on employment; and most migrants’ jobs do not substitute locals’. Still, the scale of East-West migration challenges the image of EU labour markets as geographically rigid and requires industrial relations studies to combine the analysis of capital movement with that of labour movement.

Immigration can be a threat to trade unions as much as relocations (Castles and Kosack (1973). In the case of the enlargement, the disruptions for social standards have been noticed not only on working conditions in the receiving states, but also in the social conditions in the ‘leaving states’, in particular in the extreme case of Latvia (Woolfson). A recent government census (not survey) of migrants’ families in Poland found 110,000 so-called ‘Euro-orphans’, i.e. children missing at least one parent (and often both) to migration (*Gazeta Wyborcza*, 12<sup>th</sup> May 2008), raising within Europe the issue of ‘care drain’ (Parreñas 2005).

In such a situation of strains on both sides of the migration movement, the risk of mobilisation *against* migrants rather than for their social rights was strong. This is an instance where the risk of conflicts between eastern and western trade unions was particularly strong, as some tensions during the accession process had indicated (Meardi 2002). Moreover, migration impacts the service sectors, which so far had largely considered themselves protected from international competition. The Laval conflict, where the Swedish and Latvian employer side tried to organise Latvian workers in Latvian trade unions to bypass and undermine the Swedish ones (Woolfson 2007) can be seen as an example of the feared ‘*liaisons dangereuses*’ between unions and employers that might disrupt the Europeanisation of industrial relations. Hardy and Fitzgerald

(2009) have detected an even clearer case: the Polish union FZZiZ (Seamen's and Fishermen's Trade Union – federated to the OPZZ confederation) organized recruitment for jobs abroad for its members (who were suffering from the massive redundancies in the Polish maritime sector). This was done in co-operation with western employers, in a fashion similar to a job agency, and without contacts with the western (notably British) trade unions. Such activity was criticized in both Poland and UK and resulted in the official disapproval and disaffiliation from the OPZZ.

The cases of *liaisons dangereuses* and conflicts have remained rare, though. Much more striking are the organizing efforts by British and Irish trade unions towards the new migrants (Hardy and Fitzgerald 2009, Heyes 2008, Meardi 2008), which have led to numerous successes and to attention in the media, with even reports of Polish migrants as 'bringing solidarity back in fashion in Britain' (*the Guardian*, 6<sup>th</sup> December 2006). Organising migrants in the UK included innovative practices, such as co-operation with ethnic associations (e.g. with the Polish Catholic Association in Birmingham) and setting up Polish-language sections (in Southampton and Glasgow). It focused on two particularly important factors leading to migrants' exploitation: information on employment rights, and skills, including qualification recognition and English language. On the former issue, the unions made a massive effort in information materials publication, and it is now unlikely for any new migrant not to receive some publication on employee rights in their own language. Moreover, the unions reinforced their campaigning on employment rights in Temporary Work Agencies, an important labour market segregating institution: over one third of new migrants receive their first job from agencies, which in the UK do not guarantee the same rights as direct employees. Such campaign was eventually successful, forcing the government to concede new legislation in 2008 and preparing the ground for EU regulations. On the second issue, an important area of mobilization became the defence of free English language classes, threatened by public funding cuts (Heyes 2008).

But from the cross-border co-operation perspective, the most significant activity has been the co-operation with eastern European trade unions (mostly Polish, given the 'critical mass' of Polish migration), leading to the posting of organizers from the Polish trade union Solidarity to UK and Ireland, which in turn facilitated the recruitment of activists and organizers among migrants. Such co-operation is made easier by the frequent 'transnational' nature of intra-EU migration (Meardi 2008). It is costly and not without problems, but overall it has clearly established inclusion as the dominant union approach towards migrants (Hardy and Fitzgerald 2009).

British trade unions have proved to have the strategic capacity of putting migration in the broader context, avoiding the temptations of localized exclusionary conflicts. This occurred in two ways. First, they have looked at the broader geographic context and at the longer term, seeing the freedom of movement of workers in the EU as a general worker prerogative to defend (Donaghey and Teague 2006), and realizing that any restrictive policy would be short-lived given the terms of EU accession. Second, the Trades Union Congress placed the migration issue within the broader social context of – not exclusively migrant – vulnerable work (TUC Commission on Vulnerable Employment 2008), shifting the focus from migrants to poor employee rights as the problem: the case of Temporary Work Agencies shows clearly that campaigns for migrants can also improve working conditions for large numbers of British workers.

The British experience is similar to that of Ireland (Dundon et al. 2007) and of construction sector unions in other European countries and especially Switzerland (Erne 2008). Combined together, they represent clear examples of new co-operation between trade unions and other social movements in complex social settings, and not simply in the workplace, something which has received particular attention in the USA (Milkman 2006, Turner and Cornfield 2007). The implication for cross-border unionism is that co-operation on migration issues, despite the political difficulties that may come from the extreme Right, proves the potential for combining inclusion and dialogue *within* trade unions with solidarity and dialogue *among* national unions (Hyman 1999, Meardi 2000).

### **Conclusion**

The assessment of cross-border trade union achievements is often negative. In the case of the difficult test of East-West co-operation within the enlarged EU, successes are still rare too. However, broader theoretical and empirical horizons may allow a more comprehensive view and a different judgement.

The paper has first argued that through the theoretical contribution of federalism, new social movements, and social network analysis, it is possible to frame cross-border union networking differently from traditional hierarchical institutional perspectives, unveiling direct and especially indirect effects. Even if the EWCs do not achieve much directly, they often affect peripheral behaviours by increasing information and preventing competition: transnational union contacts are at least allowing unions not to harm each other, even though they are still too weak to help each other. Second, by combining the study of multinational companies with that of migration (two phenomena hitherto mostly studied separately), the overall picture becomes more mixed, as slow progress in multinationals (as shown by the Czech multinationals' case studies) is compensated by unexpected successes on migration, a fertile terrain for coalitions with other social movements. The latter issue seems to make it easier for trade unions to 'humanise' foreign workers and develop solidarities with them, than the simple existence of remote foreign subsidiaries. More sophisticated analytical tools combined with broader empirical pictures allows to remove the traditional dilemma between pessimism of the intellect and optimism of the will, and to advance some rigorous and grounded optimism of the intellect.

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