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Hans-Böckler-Stiftung  
Magazin Mitbestimmung  
Hans-Böckler-Straße 39  
D-40476 Düsseldorf  
Telefon: 0211-7778-147  
E-mail: [redaktion@boeckler.de](mailto:redaktion@boeckler.de)  
[www.magazin-mitbestimmung.de](http://www.magazin-mitbestimmung.de)

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# The challenge of the 'solidarity pledge'

By Martin Bartmann and Sabine Blum-Geenen

Martin Bartmann is funded by the Hans Böckler Foundation to complete a PhD at Kaiserslautern University, Germany, on comparative labour relations in the Swedish and German motor industries. He works on the European Union's GMEECO project. Dr. Blum-Geenen is head of research co-ordination within the policy department of the German metalworkers' union, IG Metall, and head of the GMEECO project.  
sabine.blum-geenen@igmetall.de

■ GM's Head of Development, Bob Lutz, sees future production and development as being based mainly in China and Korea. Carl Peter Forster, Chairman of GM Europe, has also announced that three western European GM plants could close over the next few years. Meanwhile, GM is continuing to develop (over-)capacity in eastern Europe and in Asia, despite plants currently working below their planned volume.

The strategy of 'global platforms' is also dramatically increasing competition between plants. The launch of what GM calls its Epsilon II platform (for the Opel Vectra, the Saab 9.3 and the Saab 9.5) means that a single plant can now manufacture very different GM brands and that production can rapidly be transferred between plants. The company's European works council, known as the European Employees Forum (EEF) fears that up to 30,000 jobs could be lost in Europe by 2014 as a result of closures of GM plants and suppliers, and that GM's strategy marks the beginning of the end for GM vehicle production in western Europe. However, plants in eastern Europe also face medium- to long-term threats from transfers of manufacturing to Asia.

## Solidarity with Azambuja

The struggle to save the Azambuja plant in Portugal escalated in June 2006 when GM's management announced the closure of the plant and the transfer of

production of the Combo, a small commercial and leisure van, to Zaragoza in Spain, claiming that logistical costs were 500 euros per vehicle higher at Azambuja. The study on which these figures were based was released to employee representatives only after the EEF had taken legal action against this breach of its right to be informed. Measures to increase productivity in Azambuja, made by both the EEF and Portuguese employee representatives, have so far been consistently rejected as inadequate.

Employee representatives at all GM plants across Europe therefore decided on Europe-wide action to support Portuguese colleagues in their fight to keep their plant open and protect their jobs – see page 39. In a unique development, every single plant was involved, taking whatever action their national legislation allowed - from official strikes to information sessions held during working hours and workforce rallies outside working hours. Employees also refused to work overtime or do extra hours. The action, which led to loss of production and disruption to supply chains across Europe, has had some effect: although the company has not abandoned its plans, the closure will now take place at a later date and in the context of a European framework agreement. In addition, GM Europe is willing to be actively involved in providing resources for the creation of alternative industrial activities and jobs. This is because the company faces problems on another front, as European and Portuguese politicians have demanded →

### The EU's GMEECO project

The EU project entitled 'Requirements and Perspectives of the General Motors Europe Employees Co-operation' (GMEECO) was launched in November 2005, initially to run for one year, with the aim of providing academic and research support in formulating a cross-border framework agreement signed by GM's European Employees Forum (EEF). The aim is to make a constructive contribution to GM's competitiveness, while taking full account of plant-level, regional and social factors. Because the project is so innovative, it is being funded by the European Commission. It includes employee and union representatives from Belgium, Germany, Poland, Sweden and the UK.

For further information on the project, contact Sabine Blum-Geenen (tel. ++ 49 69 66 93 24 52, or email [sabine.blum-geenen@igmetall.de](mailto:sabine.blum-geenen@igmetall.de)). The text of the 'solidarity pledge' can be downloaded as a PDF file from [www.igmetall.de](http://www.igmetall.de)

→ the repayment of subsidies worth tens of millions of euros if the plant is closed.

### Employee representatives' counter-strategy

In previous disputes - on the closure of Luton (UK) in 2000, and on capacity in Rüsselsheim and Bochum (Germany) and Trollhättan (Sweden) in 2005 - employee representatives at GM Europe and the unions formulated a European strategy for negotiation and action, which is now facing a critical test. The EEF, as the negotiating body at European level, negotiated framework agreements which were to be supplemented at national level to reflect local law and custom and practice. These negotiations were backed and strengthened by European days of action. The trade union co-ordination group within the European Metalworkers' Federation (EMF) played a crucial role in this, as it includes both union representatives and plant-level employee representatives, meaning that the unions were directly involved and making it easier to organise the days of action.

The main conclusion works councils and unions drew from this experience was that they needed to be involved at an early stage, and on a common platform, in the process of site selection, especially as a decision is due to be made in 2007 concerning future production of the Delta platform for the Astra and the Zafira. A group known as the Joint Delta Working Group (JDWG) was set up for this purpose within the EMF in winter 2005,

including plant-level employee representatives and the national unions at the five sites affected - Antwerp, Bochum, Ellesmere Port, Gliwice and Trollhättan. Once again, GM Europe's strategy was to play the plants off against each other so as to wring maximum concessions from workers and their representatives. The future viability of each individual plant was deliberately called into question, with even the Polish plant at Gliwice being warned that costs, especially labour costs, were lower in Ukraine and in China. However, the employee representatives have proved unwilling to be played off against one another, and have adopted a common set of objectives: no plant closures and equitable use of capacity. Their aim is to secure a common framework agreement with GM Europe on the manufacture of vehicles on the Delta platform.

This ambitious aim gives a whole new dimension to cross-border co-operation, prompting the German metalworkers' union, IG Metall, to make a successful bid for EU funding for the GMEECO project as part of measures to promote social dialogue - see box. The aim of the project is to set up a cross-border negotiating body, and formulate rules and tools for co-operation. This in turn could serve as a model for employee representation in other cross-border companies.

As a result of EU funding, resources exist for employees to have input into the site-selection process. Workshops are aimed at enabling representatives to get to know each other, forge links and develop trust, but also at developing criteria for the selection process that reflect the interests of all plants. This requires detailed knowledge of the plants themselves, of the various col- →

# Protests at all 18 GM plants across Europe to prevent the closure of Azambuja

**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.



photo: GMEECO

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

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

**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

**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.

**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

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

**Gliwice (Poland):** 'Info meetings' involving all shifts  
**Luton (IBC plant, UK):** Rallies involving all shifts

13 June — **Azambuja:** Workers stage a six-hour stoppage

16 June — **Azambuja:** Workers stage a 24-hour stoppage

19 June

20 June



photo: picture alliance

21 June

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

23 June

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

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



photo: GMEECO

27 June

28 June

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

29 June

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

30 June

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

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

**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.

11 July

lective bargaining systems and scope for plant-level action, and of the industrial relations and social policy structures in different countries. The project is gathering and collating this information, and making it available to those involved.

A major first step was the European 'solidarity pledge', which established the common goals and procedures and which was signed shortly before Christmas 2005. It confronts the company's competitive approach with one based on solidarity, a particularly striking development because the site-selection process could mean one particular plant might be strengthened - at least in the short term - at the expense of others if it were able to produce more vehicles. In practice, distributing production and using capacity fairly amounts to a policy of 'a trouble shared is a troubled halved' - it is cost-cutting rather than higher production that is being shared out - making it all the more surprising that co-operation between European employee representatives and the solidarity of the workforce has, as yet, not crumbled.

In contrast, employee representatives in the Delta working group (the JDWG) had to accept a bitter defeat in spring 2006 in their dispute over excess capacity in the Astra plants. They offered to show solidarity by reducing working time, but preserving jobs in all plants to compensate for cyclical lower production of the current Astra model. But management rejected this proposal and cut an entire shift - some 900 jobs - at the UK plant in Ellesmere Port.

### Conditions for success

Employee representatives have so far focussed on the Europe-wide site selection process, but GM is quite likely to implement a global platform strategy and, with it, global site competition. There are plans, for example, to manufacture the Opel Antara in Korea for the world market. Is there scope for transferring the experience of European employee representation to the global level? The question is highly relevant, given the concrete production plans that GM is developing, and could become even more crucial if recent exploratory talks between Nissan, Renault and GM were to lead to an alliance of the three groups.

GM Europe's management has based its strategy on getting both plants and their workforces to compete

with each other. For this reason, trust based on transparency and fairness is one of the core conditions to enable the EEF and the unions to work together. It is crucial that all employee representatives have equal status, and that no plant or country is allowed to dominate because of its size or its proximity to the company's decision-making structures. A joint, and democratically endorsed, strategy is the only way that employee representatives can counter the authoritarian nature of top-down management decision-making. Efforts to encourage close co-operation between different groups of representatives have been made easier by the fact that virtually everyone speaks English well enough to use it as the working language, enabling rapid communication - very useful in the current period of heightened concern.

Tying the workers themselves into this cross-border strategy for employee representation remains a key challenge. Members of European works councils inevitably travel a good deal, and sometimes this means their presence is missed in their own plants where they were elected. A further complication is that discussions at European and national plant level follow different timetables.

European legislation must, therefore, move beyond information and consultation rights in creating a European framework for worker representation. What is needed is a body that is not only capable of negotiating but also has a mandate for negotiating at European level. If social Europe and the Lisbon strategy, of more and better jobs, are to mean anything, the tools must be created to make them a reality. ■

### Further reading

Martin Bartmann: 'General Motors - Facing tough decisions at the European works council' in *Magazin Mitbestimmung* 8/2005. The article can be downloaded from [www.magazin-mitbestimmung.de](http://www.magazin-mitbestimmung.de), then click English Edition, 2005.