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# **Cooperation vs. competition**

**Union and works council strategies in  
the Delta site-selection process at  
General Motors Europe**

**6th International Conference  
in Memory of Marco Biagi  
RIGHTS AND PROTECTION IN THE NEW WORLD OF  
WORK. THE REASONS FOR THE COMPARATIVE AND  
INTERDISCIPLINARY STUDY OF LABOUR RELATIONS**

**Modena, Italy, 17-19 March 2008**

6th International Conference in Memory of Marco Biagi • Modena, Italy, 17-19 March 2008

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**GMEECO-project  
General Motors Europe  
Employee Cooperation**

**12/2005 – 07/2007**

**Funded by the EU  
(social dialogue)**

**Run and coordinated by  
IG Metall**

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## Structure

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2. Collective actors at GM - overview
3. European Employee Forum – The EWC at GME
4. The Delta (Astra) site selection process
5. The response of the employees/unions – the Joint Delta Working Group
6. The EU-funded GMEECO-project
7. Challenges for trans-national employee cooperation
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10. Trans-European employee cooperation at GM as blue print for the organization of solidarity in multinationals?

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## 1. Site selection processes at General Motors

- GM uses internal site selection processes to systematically play off workers and plants against each other
- GM's aim is to initiate a downward spiral of working conditions. The individual plants and their employee representatives are supposed to outbid each other to safeguard their plants – “beauty contests“
- The plants have to apply for future production in a formalized competition
  - GM pretends staging a fair competition
  - From an employee perspective this has nothing to do with fair competition – e.g. differences in the state of the art of production technology or employee structures are not taken into account and are not in the responsibility of the employees
  - The logic of site selection processes is likely to destroy solidarity across plants and countries

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## 2. Collective actors at GME – overview

### Plant Representatives

- Employee representatives at plant level
  - Different legal and organizational structures
  - Unified trade unions, status differentiated unions, politically and/or religiously orientated unions



- EEF - European Employee Forum
  - European Works Council of GME
  - EEF coordinator



- TUCG at the EMF – Trade Union Coordination Group
  - Representatives of all European GME plants
  - Representatives of the involved national unions (only of affiliated unions of the European Metalworkers Federation – EMF)

### JDWG Delta-Group

- JDWG – Joint Delta Working Group
  - Association of the plant representatives of the 5 plants competing for the next Delta production
  - Representatives of the national/regional union organizations are also involved – but have varying engagement

### Worldwide Action Group

- No role in the Delta-process - Varying participation
  - No World Works Council – until 2007 the UAW has not been interested (since 2007 increasing contacts between UAW and EEF)

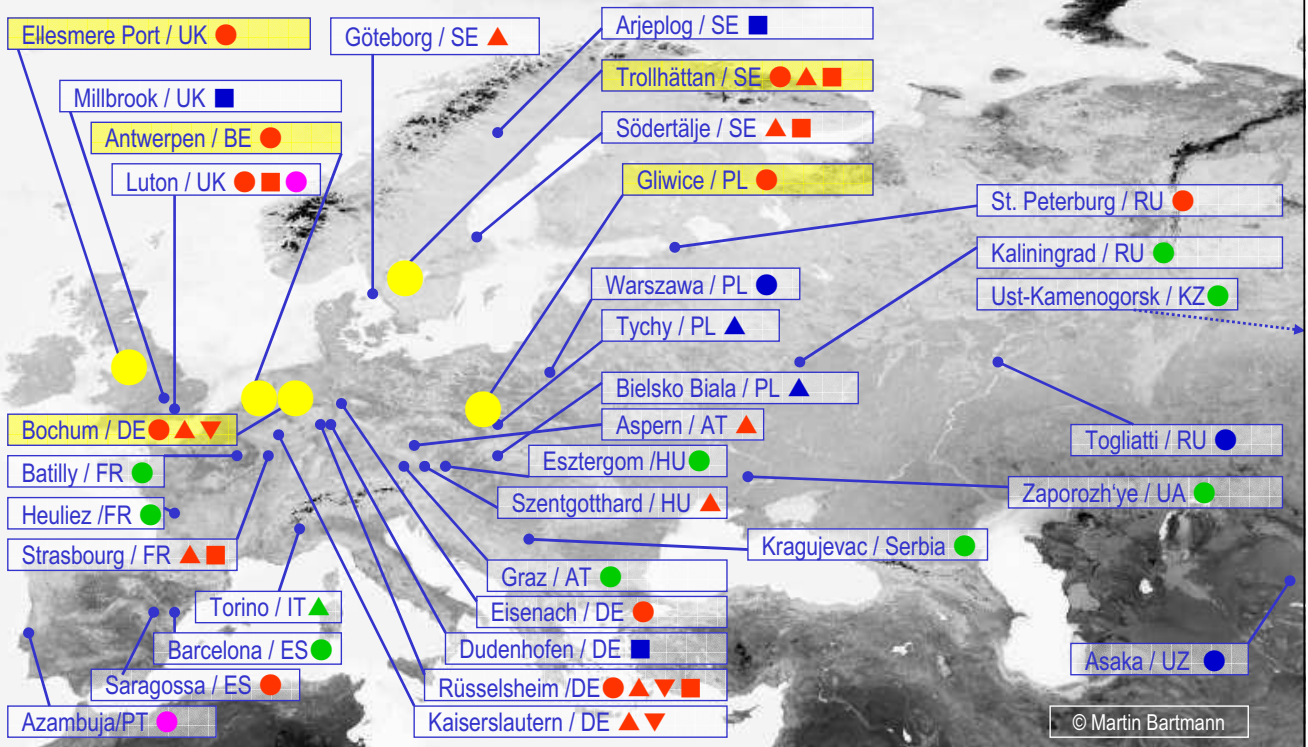
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## Joint Delta Working Group – involved unions



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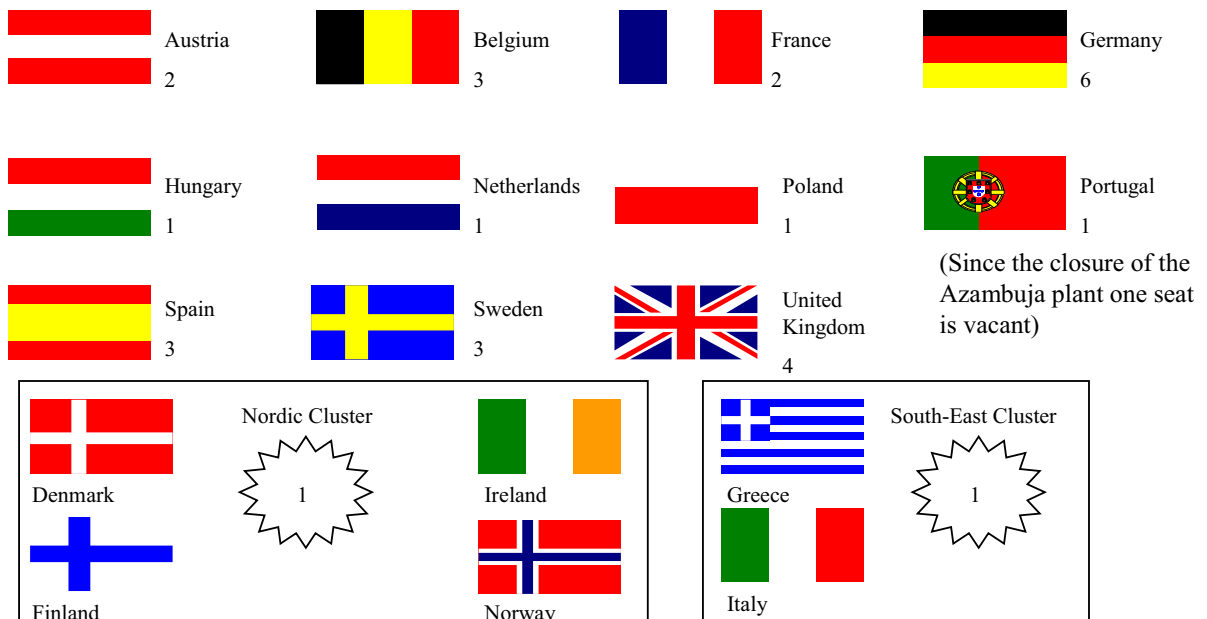
# Sites of General Motors Europe



- Legend:
- GME assembly plant
  - 3rd party assembly plant
  - Joint venture assembly plant
  - ▲ GME Powertrain plant
  - ▲ Joint Venture Powertrain plant
  - ▲ Powertrain Development center
  - ▼ GME Component plant
  - Development Center
  - Closed down
  - Test Center
  - Delta (Astra) plant**

## 3. European Employee Forum – The EWC at GME

### Nominated Employee Representatives



### Selected steps of EEF work

- 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)
- Transnational coordination of the site selection processes Trollhättan-Rüsselsheim and Zaragoza-Gliwice
- 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
- The EEF has developed a strategy that is going far beyond the information and consultation rights of the EWC Directive

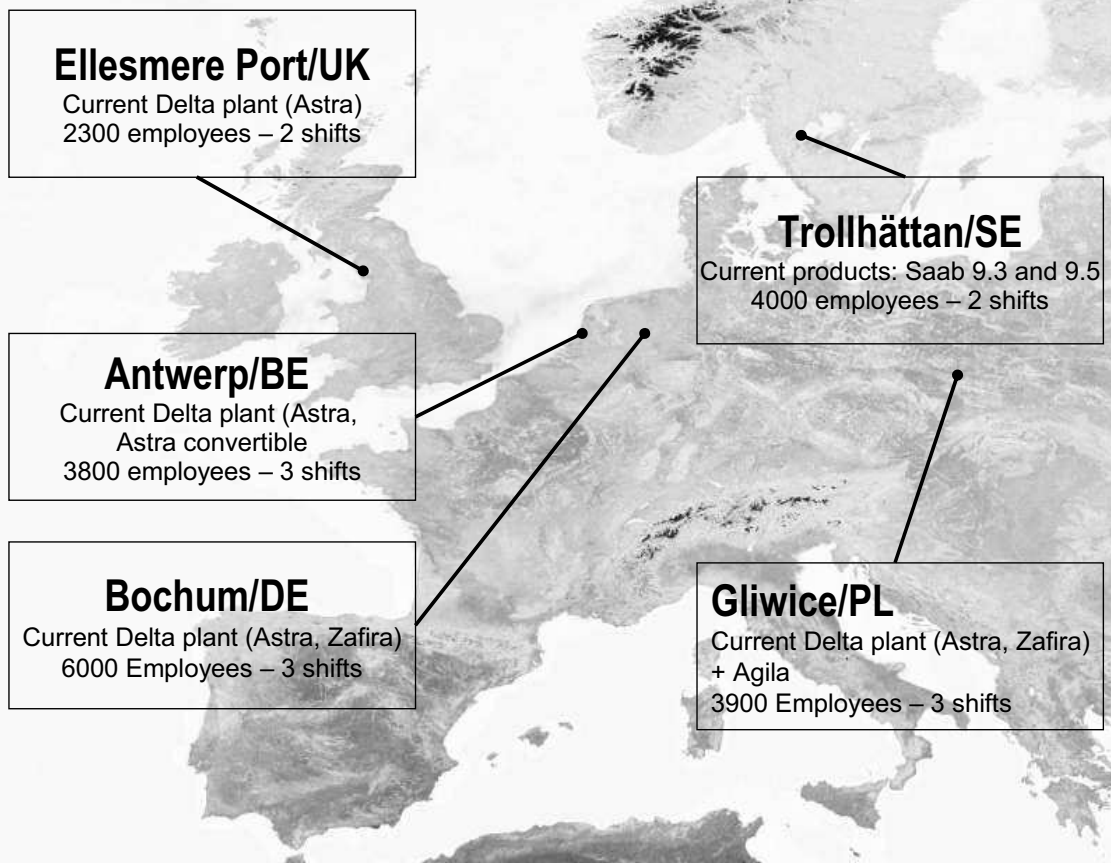
### Strategic targets of EEF work

- Ability to negotiate at European level through European Framework Agreements
- Ability to mobilise at European level
- Creation of trust and information sharing structures between the employee representatives of the European plants
- Early integration of the East European plants in the EEF
- Trade Union Coordination Group of the European Metalworkers Federation – integration of national unions
- View widened on global cooperation (the US-centred attitude of the UAW has so far prevented the setting up of a World Works Council at GM)

#### 4. The Delta (Astra) site selection process

- 5 plants have to compete for the production volume of the next compact-sized car generation of GM (Astra/Zafira – GM speak: 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 for the Delta II production
  - Rejection of European negotiations for capacity utilization problems of the current Delta I production

#### 5 plants compete for the next Astra/Zafira production of GME



- GM pretends to have a fair competition based on unambiguous economic key figures
- From an employee perspective it is not a fair competition
  - A lack of investment is not in the responsibility of employees
  - A bad model policy is not in the responsibility of production workers
  - Different employee structures (e.g. age structure) lead to different cost structures and chances of success 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 willing for industrial action are in danger in the long run
  - In the short run plants that are not able to fight are in danger of losing jobs (e.g. cancellation of 3rd shift in Ellesmere Port)

**The Delta site-selection-process at GME  
– the five plants in comparison - 1**

	<b>Antwerp</b>	<b>Bochum</b>	<b>E.-Port</b>	<b>Gliwice</b>	<b>Trollhättan</b>
Year of Foundation	1966	1962	1962	1998	1937 aero 1949 cars
Employees (1) (status 2005)	3774	7163	3283	2500 + 1200 external and temp. Workers	2185
Production volume (status 2005)	252000	250000	192000	128000	101000 (2-shift operation)
Installed capacity (status Dec. 2005)	246000 (3-shift)	250000 (3-shift)	192000 (3-shift)	180000 (3-shift)	198000 (3-shift) 130000 (2-shift)
Products (status 2006)	Astra	Astra, Zafira	Astra	Astra, Zafira, Agila	Saab 9.3 + 9.5 Cadillac BLS
Union type	Political/religious + status Segregation - Competition about members	Unified union system	Until merger competition about blue collar workers	Competition about members but one dominant union	Status differentiated unions – low competition about members

(1) Restricted comparability: Some plants have additional departments like production of components or engines, some not  
 (2) Restricted comparability: E.g. the average age of the workforce has a strong impact on the average wage. Bias because of different social systems, etc.

Source: Martin Bartmann / GMEECO-project – internal surveys January 2006-April 2007

<b>The Delta site-selection-process at GME – the five plants in comparison - 2</b>					
	<b>Antwerp</b>	<b>Bochum</b>	<b>E.-Port</b>	<b>Gliwice</b>	<b>Trollhättan</b>
Employee representation	Exclusively by unions	Formally union independent works councils – but 100% IGM	Exclusively by unions	Exclusively by unions – but low rights	Exclusively by the union clubs
Board representatives	No	Yes	No	No	Yes
Union density (status 2006)	98%	90%	95%	26%	99,5% (blue) 93% (white)
Working hours	38	35	37,5	40	38
Average wage per hour - blue collar (2)	13,50 €	17 €	16 €	5,50 €	14 €
Regional unemployment rate	6%	20% Bochum: 11%	2% E-Port: 10%	>20 %	8%
Collective bargaining system	Collective agreements on branch and plant level	Regional branch agreement	National branch agreement	2005: no collective income agreement	National branch agreement

(1) Restricted comparability: Some plants have additional departments like production of components or engines, some not  
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Source: Martin Bartmann / GMEECO-project – internal surveys January 2006- April 2007

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## Forcing the competition between the plants



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## 5. The response of the employees/unions – the Joint Delta Working Group

- The Joint Delta Working Group was established proactively in January/February 2005 when the Delta site selection competition was expected to be put into practice
  - 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 GME's logic of competition
  - In December 2005 the Delta plants signed 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

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## Reaction of GM to the Joint Delta Working Group

- No acknowledgement of the JDWG as negotiation partner – neither for Delta I nor for Delta II
  - Management does not accept Delta group as negotiation partner until 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 – approx. 100 million € investments in press tools, etc.
  - Creation and acquisition of unreasonable overcapacities to further blackmail employees and plants
- Dishonest negotiation strategy (once GME management could not avoid European negotiations about the Delta issue)
  - Promise in April 2007: No closures of Delta plants
  - One week later GM offers a production volume for Antwerp that would lead to a plant closure in the medium term
  - Always new demands for further cost savings
  - Use of incomprehensible economic figures

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## 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 possibilities of the EWC Directive are totally insufficient to have a symmetric situation of power between management and employees
  - The possibility of setting up working groups for a particular purpose, such as the JDWG, is not provided for
  - Trans-European work is not possible on a continuous basis
- GMEECO project work:
  - 2.5-day workshops at all 5 involved plants
  - Organisation and coordination support
  - Organisation and payment of translations
  - Scientific expertise
  - Exchange plant visits of works councils, shop stewards and employees
  - Internal document server

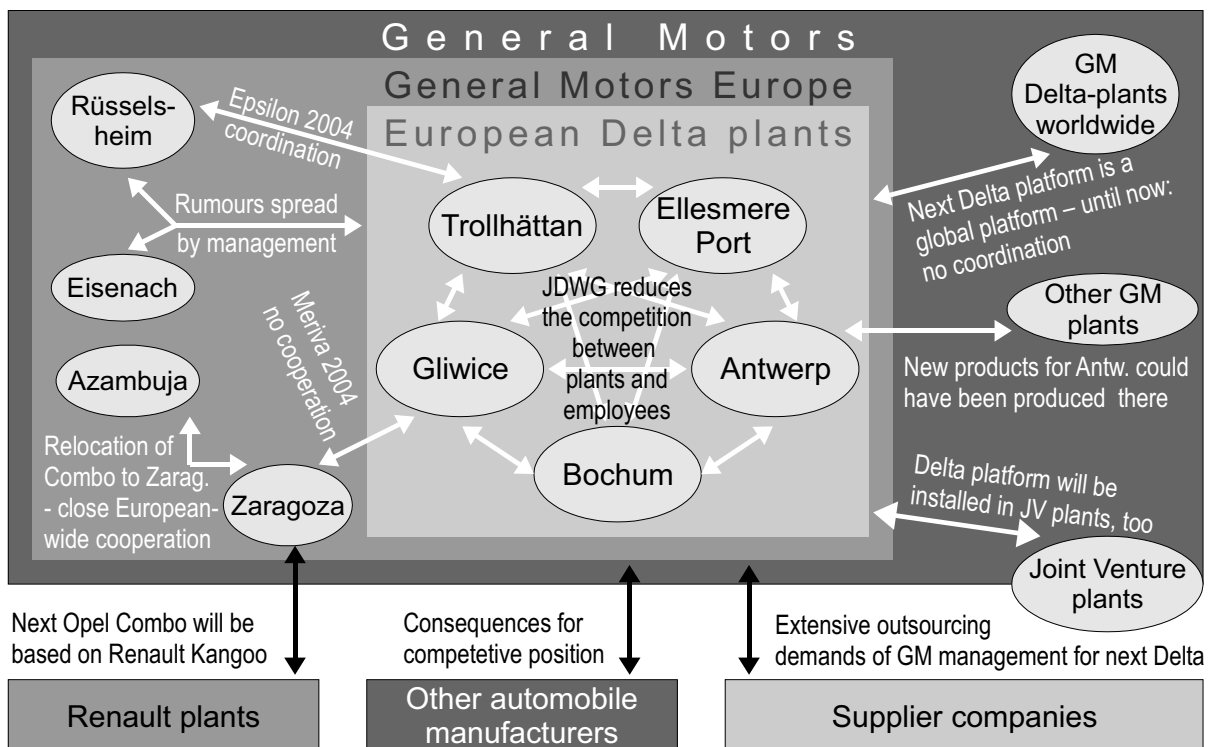
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## 7. Challenges for trans-national employee cooperation

- 5 different national systems of labour relations
- Trust and a joint code of communication
- Joint working language
- Readiness to have more than symbolic actions for other plants/employees (e.g. Azambuja and Antwerp actions)
- Development of joint forms of action
  - Staging joint actions – who can do what?
  - Risk for those plants that are able to fight
- Short-sighted safeguarding of individual plants has to be replaced by a medium-term safeguarding strategy for all plants
- Continuous information of employees about European and global issues
- Pragmatic use of all resources you can get
- Development of an alternative economic concept to management's plans
- Balance between cooperation and competition logic – we live in a capitalist world

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## Competition relations from the perspective of the GME Delta plants



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## 8. Results of the Delta process

- European Framework Agreement (EFA) about the future of the Delta plants
  - Bochum, Ellesmere Port, Gliwice, Trollhätten will get Delta production
  - Antwerp will get 2 Opel and Chevrolet SUV models (+ option for an additional model)
- **The decision (Antwerp will not get the new Delta) shows that GM did not stick to the announced rules for the competition**
  - No plant closures during the life cycle of the new Delta. Guarantee for Antwerp until 2012. The guarantee for Trollhätten will depend on the decision for the production of the Saab 9.1 as new model (Decision of the GM management in Detroit)
  - Framework agreement in which local agreements are integrated
  - That is the only way to secure legally binding agreements because EFAs are not universally recognized (e.g. problems in the UK and Poland)

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## 9. Strengths and weaknesses of employee cooperation at GME

Strengths	Weaknesses
Closure of a Delta plant could be avoided	Job losses in the Delta plants
Medium-term safeguarding of the plants	Closure of Azambuja could not be prevented
Building of trusting relationships	Involvement of the national unions – high fluctuation – conflicts about strategies
Possibility of European wide Actions A > 4      A > 5      A > 8	Lack of knowledge about the different systems of national industrial relations
Management overestimated the EEF's and the unions' ability to fight at the end of the Delta negotiations (result of the actions in support of Azambuja)	Reactive approach – pushed by management demands Lesson from Azambuja – The EWC has to be active before investment decisions are made
Pragmatic acquisition of resources	Relapse into the logic of local negotiations and hiding of information in some cases
East-West conflict pattern was overcome	Involvement of employees is partly insufficient
European negotiations are partly accepted by management	Different levels of information
The JDWG is de facto accepted as negotiation body	Maintaining JDWG level of cooperation without project resources. Level of cooperation dropped after the end of the project

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

- The JDWG shows that transnational cooperation and solidarity is possible
- The participation of employees in the actions shows that a transnational solidarity strategy can be communicated
  - What degree of pressure can solidarity resist for which period of time?
- 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?

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- The massive pressure and the brutal site selection processes at GM may have encouraged employee representatives to cooperate
- But strategies like the JDWG would have better chances of success in companies that are less anti-union than GM
  - In these companies such approaches currently do not exist – paradoxical 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 at global level
- In the medium and long-run there is no alternative to transnational employee cooperation and solidarity
- With local concessions employees only buy time – there will always be a cheaper, younger, more state-of-the-art plant
- Only if employees are able to reduce transnational competition will there be a chance to regain sustainable influence on the labour process

**General Motors Workers Blog**  
Fighting back makes a difference

Welcome/Languages/English

11/05/2007

**The end of the strike but ,its not over yet .....**

The strike may be over , but the struggle isnt .

We have to be ware for what the GM top is going to do next .

Comrades , we have to watch out in whole europe for the next move .

Now , we have to stand together in whole Europe !!!!!

We must demand a total meeting , means that all demands from every plant must lay on the table in this :

Every plant must know , within a period of a few months what they are planning to do with volumes and lost jobs in the plants !!!

Stay alert comrades , yesterday Portugal , today Belgium , are you sure its not your turn tomorrow ???

It's good to read that the Antwerpen Opel workers are now back on the job for the time being.

Meanwhile, are the talks between GM management and the union representation continuing? What are the outstanding issues? What is the schedule for the talks? Is there any news about progress to report? What happens should the talks fail?

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Here is an article that confirms that the Opel workers returned to work last night.

Work at Opel resumes  
14 May 2007

ANTWERP - The night shift at the Opel plant in Antwerp resumed work last night.

This brought an end to a strike that broke out more than two weeks ago when it was announced that the new Astra model would not be built in Antwerp.

"The plant is working again, though the personnel were not all that happy to start work," says ABVV trade union representative Rudi Kennes. "Which makes sense with the outcome of the referendum," he added.

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Violation of Workers Rights  
Closure of Azambuja  
Join the blog and start writing!

Sign our petition for high-quality public services, accessible to all  
[www.petitionpublicservice.eu](http://www.petitionpublicservice.eu)

EMF  
EMF  
EMF  
Europäischer Metallgewerkschaftsbund  
European Metalworkers' Federation  
Fédération Européenne des Métallurgues

European Trade Union Confederation

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## Online - articles and documents

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- <http://www.martin-bartmann.de/>

## Actions Azambuja

### ➤ Actions at 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



**2th of June 2006 - March to Lisbon** – workers marching to the Portuguese Parliament with their families, EU representatives and European trade union officials.



**21th of June 2006 - Aspern (Austria):** Workforce rally involving all shifts, halting production for three hours and resulting in the loss of 640 gearboxes and 320 engines



**27th of June 2006 – Bochum (Germany) –** Workforce rally involving the early shift, halting production for three hours



**28th of June 2006 – 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.



**19th of June 2006 – Kaiserslautern (Germany)** – 'Info meeting' of all workers on the late shift, halting production for four hours. Workers at the GKN components plant support the action.



**20th of June 2006 – Rüsselsheim (Germany) – 'Info meeting' involving the early shift, halting production for three hours and resulting in the loss of 200 vehicles**



**26th of June 2006 – Södertälje (Sweden) – Workforce rally, halting production for two hours**



**26th of June 2006 - Trollhättan (Sweden):** Workforce rally involving both shifts, halting production for four hours

# European Action Day

## 3. May 2007



European Action Day 3rd of May 2007  
Aspern (Austria)



European Action Day 3rd of May 2007  
Bochum (Germany)



European Action Day 3rd of May 2007  
Dudenhofen (Germany)



European Action Day 3rd of May 2007  
Eisenach (Germany)



European Action Day 3rd of May 2007  
Göteborg (Sweden)



European Action Day 3rd of May 2007  
Kaiserslautern (Germany)



European Action Day 3rd of May 2007  
Rüsselsheim (Germany)



**European Action Day 3rd of May 2007  
Szentgottard (Hungary)**



**European Action Day 3rd of May 2007  
Zaragoza (Spain)**