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Chapter 10

A better understanding of European Works Council networks: the case of BMW and GM

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10.1. Introduction

Research into European works councils (EWC) appears to be going through a period of revitalisation. Prior to, and directly after of the passing of the European works council directive (EWCD) in 1994, this new institution caught the imagination of many industrial sociologists across the breadth and width of Europe. In the early to mid-1990s the focus was very much on questions of coverage and the content of agreements. This was closely followed by a growing interest in how such bodies functioned, or rather did not function, towards the late 1990s. With the arrival of a new millennium, however, a marked decline in EWC interest was to be observed. The gusto with which researchers had welcomed the arrival of EWCs was replaced by new research fads. We would argue in fact that a mood prevailed for a time, most noticeable at conferences, in which academics were somewhat relieved at the passing of research into EWC, i.e. “there’s more to life than EWCs”!

In the last years, though, we detect once again a growing interest in this European institution. In addition to the publication of various books and reports (Whittall et al. 2007; Kotthoff 2006; Telljohann 2006; Carley and Hall 2006), a number of conferences and workshops have recently been devoted to the EWC (Brussels (Belgium) 2007; Arezzo (Italy) 2007; Bochum (Germany) 2007; Warsaw (Poland) 2006).¹ Offering a definitive reason for this revitalisation is certainly beyond us and as with most things one should not exclude the role of chance. However, we suspect that the return of EWCs to the research agenda is closely linked to the interconnected

¹ The following conferences and seminars devoted to the EWC were organised by the European Foundation for the Improvement of Living and Working Conditions in Poland (2006), European Trade Union Institute in Brussels (2007), the Istituto per il Lavoro in Arezzo (2007) and Bochum University in Bochum (2007).

issues of restructuring and employee voice in a period of unprecedented globalisation and Europeanisation. As these economic and political developments place in question, what Hyman (2007) calls the “autonomy” of national actors (trade unions, employers and the state) and hence their ability and interest in regulating employment terms and conditions, alternative approaches need to be considered. With national industrial relations increasingly at odds with capital’s “transferability agenda”, particularly the latter’s ability to hold labour to ransom with the threat of exporting jobs to perceived more economically viable regions (as recently occurred at AEG Nuremberg, Artus 2006), it would therefore be irresponsible to ignore initiatives that “potentially” offer solutions to social dumping.

The current empirical interest in EWCs, clearly an extension of earlier work, appears predominantly concerned with understanding how to improve the internal workings of EWCs. Not wishing to go over old trodden ground, often referred to as the Euro-pessimist and Euro-optimist debate in which protagonists discuss the importance of such a body empowered with mere information and consultation rights, the fact remains that few examples prevail in which EWCs have had a noticeable positive impact (Carley and Hall 2006). By positive impact we are referring to instances in which the EWC has been involved in the regulation of employment, i.e. supra-nationally taking on the mantle of structures preformed traditionally within national industrial relations systems such as works councils and industry level collective bargaining.²

This chapter is intended as a contribution to research studying the internal workings of EWCs. To this end we focus particular on the EWC as a network, defined as a structure that can potentially bring together actors geographically dispersed. Certainly, the EWC network, irrespective of the degree of intensity and quality, supports communication between employee representatives in the same undertaking. We argue, however, that there is a requirement to move away from the loose reference to network, a catch-all term which attempts to explain everything but actually explains very little. Although the term is increasingly, either directly or indirectly, mentioned in conjunction with EWCs (Whittall 2007; Knudsen et al. 2007; Pulignano 2006; Kotthoff 2006; Martinez and Walker 2005), the fact remains that a

² We acknowledge here that there is an interesting debate, often referred to as the varieties of capitalism debate, which suggests that national industrial relations systems have been able to adapt to the new political and economic circumstances. Hence it would be premature of us to talk of their total demise.

conceptual understanding of the application of the network concept remains underdeveloped to the best of our knowledge. Too often authors, and here we include ourselves; seem to take for granted the network metaphor, a reference that denotes nothing more than the mastering of space and time. This especially appears a major weakness of current research on EWCs, an inability to acknowledge that the “shape” of a network influences the overall character of a EWC and so in turn the ability of this European body as we shall argue to act collectively.

Central to our argument then is the suggestion that researchers need to be more specific when referring to the EWC as a network. As we will show the character/shape of a EWC network will ultimately determine whether this European institution can develop a sense of a common identity, a quality which we have shown in our previous work is essential if the EWC is to become a structure that can challenge managerial decisions (Knudsen et al. 2007).

We begin by offering the reader an insight into how researchers can better define the EWC network. To this end we specifically draw on the work of Bavelas (1950) who argues that a network’s “shape” influences the nature of communication within a network, or as we suggest the intensity and transparency of a EWC, two factors we claim that ultimately determine whether the EWC develops a collective identity. This is followed by research undertaken on the BMW and GM EWCs, two examples of quite different EWC networks and hence two quite different responses when faced by major periods of restructuring. Respectively the chapter specifically focuses on the break-up of the BMW-Rover Group in 2000, and the closure of GM’s Azambuja plant in 2006.

10.2. EWC network and the question of identity

The network has become a key metaphor in understanding social developments in modern society. Of course, this is not to deny the presence of networks in previous historical periods. On the contrary networks have always been an important quality of human existence, a tool through which actors can structure relations. The difference to the past being, however, that today’s networks are able with the use of modern technology to reach further a field. Hence, defined as a structure composed of communication points, so-called *nodes* and these in turn connected by communication paths, *ties*, the EWC contains a key composite of a modern network structure. It represents an ability to allow actors to enter into discourse

irrespective of distance and time. Undoubtedly, the EWC-Directive represents the legal acknowledgement that the political and economic developments within the European Union have ensured that nationally focussed networks are becoming increasingly ineffective in managing employee relations. The main task of the EWC, therefore, involves bridging such a distance, in short a re-embedding of a system of industrial relations at a European level. This though would involve the EWC addressing labour's Achilles heel, geographical fixity, i.e. a horizontal outlook underpinned by parochial tendencies. The EWC, made up of various *nodes* and *ties* (employee representatives within the company headquarters, employee representatives in foreign subsidiaries, national trade union officers and European industrial trade union federations), represents an organisational attempt to coordinate labour activities at where it increasingly counts, at a supranational level according to Pulignano (2006).

However, experience shows that many EWCs find it difficult to live up to the high expectations of many commentators and practitioners, EWCs to often symbolic of a body referred to by the German sociologist Ferdinand Tönnies (1972) as a *Gesellschaft* (society). Seen from this perspective membership to the EWC involves is very much a utilitarian act, you sign up to the EWC to further the interests of your plant/country. Where relations to other delegates exist, these predominantly exist to glean information about developments within the company as a whole and to lobby management on behalf of one's plant/country as against a platform for developing a common EWC position. Though occasional acts of support between the different EWC nodes should not be excluded, such acts of solidarity, if we can call them these, involve one major precondition, they must not involve sacrifice on the part of the supporter (Whittall 2003, 2007). The position of EWC delegates here can be summed up as follows: "Yes we will support you in whatever way we can, but our actions cannot threaten the jobs here."

Of course, Tönnies developed another major concept, the notion of a *Gemeinschaft* (community), which if applied to an EWC assumes that delegates can be motivated by non-instrumentalist interests. In this sense EWC delegates develop a sense of common identity, a sense of togetherness, which though no guarantee to unlimited sacrifice, is undoubtedly far more sustainable than EWCs in which membership is first and foremost an instrumental act. The EWC characteristic of a *Gemeinschaft*, implies a common identity can emerge, and because of this delegates from the various nodes are willing to empower this European structure with the right of authority usually bestowed on national industrial relations institutions.

The question that remains to be answered is what factors can contribute to a EWC surpassing the *Gesellschaft* stage in its development, which as existing research suggests is the predominant characteristic of most EWCs. As noted above we contend that one key influencing factor concerns the shape of a EWC's network. To further understand the argument promoted here we will now turn to consider more deeply the notion of communication networks as developed by Alex Bavelas (1950).

Communication networks

Communication Networks, a concept widely attributed to the work of Alex Bavelas (1950), offers a means of classifying the shape of a network, the classification of which can help indicate the overall character of the network. In the case of EWCs such a tool can be applied to discern which network shape can best facilitate a *Gemeinschaft* EWC or alternatively factors which ensure this European body does not develop beyond a structure which is viewed as mainly promoting the interests individual nodes. Although there are many aspects of Bavelas' work on communication flows which we find informative, the part of his work which touches on the issues of leadership and the involvement of network members is of particular relevance to this chapter. This brings us to one of our key assertions, that delegates of EWCs and the people they represent will identify, that is buy into the EWC idea only if a number prerequisites can be assured by the network. The first involves the EWC being a democratic edifice, i.e. a body which ensures that delegates are involved in determining the course the EWC is heading, in short the ability to set the agenda. This is of particular importance considering that an EWC represents a network of nodes strewn across the European Economic Area, the successful co-ordination of which will influence whether the EWC becomes a body able to influence central management decisions. The second factor, one linked closely to the first, involves interaction between the different nodes. Though this is primarily the task of the coordinator based at the hub of the network, this represents what we refer to as "indirect interaction", the coordinator a portal through which information flows. Such interaction, though, needs to be complimented by direct interaction, be it by utilizing information communication technologies or face-to face contact. This is because the international nature of EWCs, and with this we mean the often contrasting if not conflicting industrial relations systems, are not factors which naturally lend themselves to high trust relations between delegates (Whittall 2000, 2003). Moreover, such a situation can produce competition between EWC delegates over employee representative practices. In

addition, such a situation is compounded by the fact that management are in a strong position to exploit the potential parochialism of labor through regime competition. For this reason we assert that an EWC network that promotes greater interaction between the various nodes is in a better position to develop trust relations between delegates.

In discussing and analysing different communication flows within networks Bavelas referred to various different communication flows. These include the star, chain, wheel and circle. The networks described by Bavelas (1950) are marked by different degrees of centrality – the extreme cases being that of the chain which depicts a top-down communication flow and the circle marked by a low level of centrality. For this chapter we will focus on the star and circle network shapes. Our choice is premised by the fact that EWCs allow for a two-way communication process, they are not military organizations. For this reason we can exclude extremely hierarchical network structures (top down), because irrespective to what level communication takes place, we adhere to Simmels (1964) argument that networks facilitate interaction and communication between actors (Simmels 1964). As will be demonstrated below, our choice of the circle and star shape networks is based on the fact that they allow for different degrees of communication between EWC delegates.

Star shape

The notion of the star shape network in relation to EWCs has briefly been discussed in the work of Lecher et al (1998) and Whittall (2003), both works emphasizing that a situation arises in which an individual or a steering committee take up a central position through which the network communicates. However, these individuals should not be considered a “switchboard”, they do not connect different delegates together – rather they distribute information through the network – communication to a greater extent is an indirect experience for the majority of EWC delegates. Hence, with the exception of the once a year meeting EWC delegates neither come face-to-face with their counterparts from other sites or have direct access to each other on a regular basis. In addition, due to the fact that the central point in the star functions as a filter through which such information flows a danger prevails that information could be distorted. Whittall (2003), for example, has suggested that actors who take up the central point in the star might even censor the information which passes through the centre, this interpreted as a means of retaining the status quo already in place.

Circle shape

In contrast to the star shape the circle encourages greater inter-communication between the various nodes. Such an EWC is structured in a way which allows delegates to a greater extent to set the EWCs agenda. Although Bavelas (1950) discovered that the circle network was much slower in passing information on and responding to problems compared to the star shape structure, the former recorded much higher in terms of satisfaction. The latter we argue a key quality underpinning a delegates commitment to the EWC.

Another important quality associated with more open communication flows involves the question of empathy. We contend that a sense of *Gemeinschaft*, which as we argue is a key quality of an EWC if it is to develop common and sustainable positions, is dependent on delegates not only understanding the problems of their counterparts but equally demonstrating a willingness to take responsibility for these same people. Seen from this perspective the EWC becomes an important structure through which delegates collectively pull together to influence management decisions. Thus, the horizontal outlook of employee representatives is neither the immediate locality, be this the plant, region or country where they are based, but the “European enterprise”. In short then, while the star shape is perceived to as possessing a quicker response rate and less prone to errors, the circle network is more likely to facilitate a greater bonding between delegates and with this a general sense of collective belonging.

10.3. The case of BMW

For over six years BMW’s stewardship of the Rover Group, 1994 to 2000, dominated the international press. Firstly, the take over of Britain’s last remaining car producer caught the imagination of the media, this step marking a major sea-change in BMW’s hitherto business strategy – the Munich based company no longer a niche player. Secondly, the turbulent years that followed BMW’s acquisition in 1994, made for a stream of negative headlines. Moreover, BMW’s struggle to become a global player ensured that its EWC, founded in 1996, became one of the most prominent EWCs of its time. The BMW EWC helped broker the introduction of working time accounts throughout the BMW group, stop the closure of Rover’s largest and least profitable plant, Longbridge, this on more than one occasion, and finally manage the eventual break-up of the Rover Group in a way that was partly acceptable to the British workforce.

These events, and the role played by BMW's EWC have been well documented (Whittall 2007, 2004). For this reason we don't wish to go over old trodden ground. Instead we will use this section to study why, irrespective of the positive role played by the EWC at times, the BMW EWC network structure was marked by certain limitations.

The break-up of Rover

We contend that the limited nature of the BMW EWC network can be explained by its "star shape" structure. This relates to what social network theory refers to as the question of *centrality*; what we refer to as the problem of centralisation, namely that the centre dominates the network. As Lecher et al (1998: 232) note, such a structure can be associated with disadvantages as the central node:

... decides which information will be passed on and which will be held back... and with that secure their own position of power within the EWC.

In the case of the BMW EWC network all information flowed through the chair's office, an individual based at the headquarters in Munich. Some British respondents were very critical of this, as this they argued led to what Miller (1999) and Scholte (1998) refer to as the transparency/accountability deficit. The problem of centralisation, however, was not necessarily shared by their German and Austrian colleagues. A common position here existed whereby:

At the moment it is not necessary for the chairs of the different German works councils to be in direct contact with England, and to influence things and so on. It (contact) is filtered. When this is necessary, it goes through the central office, and that is for the best, so that [the chair] can take control. This process has proven itself in Germany... (German BMW EWC delegate)

German delegates' support for this filtering process is the result of a number of factors. Firstly, their direct access to management. As other studies have demonstrated this relates to the fear on the part employee representatives within the home country that the EWC could threaten their special relationship to top management (Tuckman and Whittall 2002). Interestingly, Lücking et al (2007) argue that this is a major reason for explaining why many German representatives appear opposed to the foundation of EWCs – which as the authors note is a key problem of German multinationals. By functioning as the filter of information, especially between meetings, the

chair is able to not only to decide on what information is disseminated through the network, but equally they can reinforce their importance for management.

Secondly, there prevailed a preference to impose the German system of industrial relations; in particular a preference for what Kahn-Freund (1979) refers to as “representative democracy”. This supports the Euro-pessimist position that the failure of the legislature to achieve a unified structure, i.e. the emphasis on subsidiarity throughout the EWCD, will lead EWCs becoming nothing more than extensions of national industrial relations practices. Hence, in terms of centrality, specifically the limited degree of interaction between all the nodes, German delegates seemed to favour such a structure. For the German delegates the motto was quite clearly, “why change a winning team?”

The filtering role, though, was not confined to the chair alone. Another, sub-level of centralisation existed, this involving the vice-chairs, in particular the head of the British delegation. Again the problem here was very much related to national practices. In line with the traditions of British industrial relations, the main spokesperson for British employees was a fulltime trade union officer. Convenors and shop stewards played very much a secondary, if any at all. German delegates critically noted that at EWC meetings the fulltime officer dominated proceedings. Even on the one occasion when he could not attend a meeting British lay delegates were not allowed to play a more active role, the fulltime officer in question ensuring that another officer stood in for him. For some British trade unions EWCs are seen as a potential threat to their position as an employee spokesperson, conscious that in countries like Germany the role of trade unions is restricted to sector level collective bargaining and hence by default they have limited access to the shop floor. For example, although the IG Metall helped facilitate the first contacts between Rover and BMW employee representatives, the IG Metall retrieving into the background once the BMW EWC was set up.

All Rover lay officers, irrespective of union affiliation, were critical of the dominant role played by the fulltime union officer. A major concern of lay members related to their lack of involvement in drawing up the agenda:

I am not happy with the ways things are going. I believe that [he-British vice-chair] is at fault. Old [John] is a friend of mine, but I have told him that I believe before an EWC meeting is about to take place we should have a UK delegation meeting. We should have a special meeting to decide what goes on the agenda, fax him [chair] the agenda items that we want. That has never happened...

His is the problem of bureaucracy. They [fulltime officers] will say yes to you because they want to get out of this room and they want to get another point over to you about something else. But when it comes down to laying on the actual time and the release... they don't leave any time for it. And I can say to you now that this is doing more damage to our relationship [to BMW German delegates] than anything else. We have got to have a structured works council. (British EWC member)

The role fulfilled by the EWC officers ensured that they functioned as a buffer that impeded the development of an important bonding process between lay EWC members – a process necessary to achieve a sense of network *cohesion*. This became quite apparent in relation to the so-called steering committee. Designed to co-ordinate the work of the three respective countries, Austria, Germany and the UK, it never really met and if it did the results were seen as insufficient according to respondents. One respondent noted:

There was this steering committee which would be [X] and the guy from [Y] and [Z] who were responsible for developing the agenda and the EWC. I think it is the case that you should not be just doing it on the phone. You should have a debate, tooing and throwing, get a real understanding of what the issues were. And that never happened. I say it never happened. If it happened once that is all. It should have been the case of flying off and, them flying here, see them... (Rover Convenor)

Intermediate summary

Although the BMW EWC agreement only made provision for one yearly meeting, this body had met on no less than three occasions by the end of 1996 a tendency which would continue in the coming years. Although the regularity of such meetings was positive, it says very little about the quality of these transnational events. There was no evidence of Lecher's (1998) notion of a "collective identity" developing, or what Tönnies (1972) refers to as a *Gemeinschaft*. EWC meetings were characterised by shallow plant reports rather than what Pieterse (1997: 57) refers to as 'collective symbolism and discourse', a bonding process which can be reached through common projects.

By utilising Scholte's (1998) notion of "democracy" (see Table 10.1.) the following observations can be made of the BMW EWC star shape network. Firstly, the overall structure would have to be characterised as unhealthy, a

fact that ensured that delegates were unable to achieve a “sustainable” transnational response to problems faced by the BMW Group as a whole.

Table 10.1. Trust relations within EWCs

Variable	Healthy	Unhealthy
Representative	All delegates	Specific interests
Accountable	All delegates	Specific interests
Debate	Open	Closed
Transparency	Open	Closed
Constitutional	Inclusive	Exclusive

Source: Scholte (1998); customised by the authors.

In terms of representativeness, specific interests dominated EWC affairs. Too often the limited information that was gleaned from the BMW EWC network was instrumental in serving national needs. Although there was never a sustained period in which the EWC was used to promote whip-sawing, what Wills (2000) ironically calls “international nationalism”, neither was it used to advance common positions that would lay the foundations for more open and frequent interaction between the different network members. This was because the dominant role played by the EWC officers, a position supported by German delegates, ensured a limited level of debate, and a total lack of transparency. As a consequence there existed a small degree of what network analysis theory refers to as *closeness*, i.e. the interaction levels between members through which information can be accessed. For this reason, once the problems faced by British subsidiaries threatened to engulf German plants in 1999 and the much cosseted independence of BMW was placed in question (Whittall 2007), the tentative relations that had facilitated a degree of co-ordination at times suddenly ceased. Instead of the German delegation using the EWC to debate the problem, German EWC delegates supported BMW management’s decision to break up the Rover Group at an extraordinary supervisory board meeting in March 2000.

10.4. The case of GM – a circle network

A conference or article on EWCs rarely goes by without some reference being made to the GM’s EWC. For many researchers and activists the GM

EWC has become the jewel in the EWC crown. Known as the European Employee Forum, the GM EWC represents the quintessential participatory EWC (Haipeter 2006; Bartmann and Blum-Geenen 2006). Its current status, however, masks the steep leaning curve it has had to climb to become a structure which is able to coordinate industrial action across Europe. Founded in 1996 under Article 13 of the European Works Council Directive, the late 1990s and the first years of the new millennium (Haipeter 2006; Pulignano 2005; Hancké 1998 and 2000), especially the closure of the Vauxhall Luton plant (UK) in 2000, marked a period in which the GM EWC was no different from many other EWCs struggling to come to terms with parochial pressures.

In terms of GM's EWC network structure the dominance of Germany initially, as in the case of BMW, ensured a high degree of centralisation and subsequently problems of closeness between EWC delegates. As a consequence the GM EWC represented a supranational structure in name only. In reality EWC delegates were more susceptible to playing management's game of regime competition.

According to our GM EWC respondent there were two factors which helped propel the GM EWC beyond a star shape network. Firstly, the shock associated with the Luton experience led to a galvanising effect amongst GM workers. This reflects Kotthoff's (2007) assertion that the emergence of an EWC, one in which mutual interdependence prevails, may require delegates to be faced by "change and endangerment". The arrival of a collective consciousness which stretches beyond the *local* according to Kotthoff (2007: 180) involves a realisation that 'What the Other does, and how he or she is doing, concerns me, for it has noticeable effects on me and vice versa.'

Secondly, the change in leadership which helped challenge the hegemonic role that the German chair had previously played was also significant. Bartmann (2005: 3) notes, for example, that for a period of time the Swedish EWC delegates 'saw the EWC as partly an extension of German interests. In the meantime, however, there exists a stronger co-ordination also with Sweden.' By achieving greater access this allowed for a greater sense of belonging, which in turn improved the legitimacy of the GM EWC. A master stroke here involved appointing a Belgium delegate to the position of EWC officer, i.e. someone from one of the smaller countries.

Though the current EWC officers, three in all, the chair, vice-chair and EWC advisor/administrator, all represent central nodes through which information flows, such a structure does not appear symptomatic of the star-shaped network that had prevailed earlier. There appears to have existed an

awareness that centralisation in itself is not necessarily a bad thing. As Bavelas (1950) has pointed out centralisation does have the benefit of both speeding up decision making processes and less susceptible to errors. However, the GM officers were also conscious, as will be demonstrated below, of the need to keep the issue of centralisation in-check and hence the need to ensure that not one individual or country is able to take up a dominant position.

The chair and vice-chair, as well as a fulltime EWC administrator play two key roles: Firstly, they keep all EWC members and ancillary staff (members of various committees and working groups not elected to the EWC) informed of developments throughout the group. Secondly, through their activities they help procure what Kotthoff (2006) refers to as “*Alltägliche Europäisierung*” (day-to-day Europeanisation), i.e. that the day-to-day work of each of the European GM 18 plants is informed of the EWC’s position. This is not only achieved through an incessant flow of information made possible through such a medium as the GM Workers blog, but by the constant mobility of these key actors. The vice-chair, for example, calculates that 80% of their working week is donated to serving the EWC. A vast amount of work requires them to visit and inform the 18 plants of developments within GM personally. In fact mobility proves not only to be key factor in raising the profile of the EWC network, but equally it offers a human face to relations – two factors we argue that are essential in procuring network *cohesion*.

Another structural factor which helped to open up the network as a means of ensuring that delegates were willing to buy-into a collective response to restructuring involved the development of working committees. This process of decentralisation, a key characteristic of the circle network, an act which promoted participation on the part of EWC delegates, helped procure common trans-national positions when addressing management. The most relevant bodies were the:

- Steering Committee
- Joint Delta group (plants that produce GM’s mid-size range, the Astra and Zafira)
- Manufacturing committee
- Eastern European network
- Engineering committee
- High level committee (quasi-supervisory board)

The thought that has been put into challenging a too over-centralised network can be further gauged by a number of organisation developments that were implemented. One such development involved reconsidering how to structure a newsletter. The eventual solution referred to as the “constant newsletter”. Prior to the emergence of the constant newsletter plants were required to meet certain editorial deadlines. Unfortunately, most plants failed to submit information describing important developments that had unfolded within their plant or country. Subsequently the newsletter was dominated by certain countries. In challenging this problem it was agreed that delegates would circulate information through the network as events unfolded. As our GM EWC respondent notes:

The new approach involves sending information as it happens; each plant [then] has to print this new news item and hang it out in the plant. The process of hanging it out on the wall can show, demonstrate, which plants are active, doing their job.

A key factor here, one the GM EWC appears to encourage as often as possible, involves the issue of ‘peer pressure’. Peer pressure denotes a situation whereby EWC delegates feel inclined to follow-suit, i.e. not appearing less active in the EWC network than any of their counterparts at the other 17 GM plants.

The complex and effective employee representative network that has evolved at GM Europe, in which the centre encourages its 30 delegates to be involved in running the EWC, has resulted in the GM EWC negotiating various European-wide collective agreements. These include, for example, agreements with management on corporate social responsibility (2002), restructuring (2004 and 2006) as well as a GM employee solidarity pledge against social dumping (2005). The resilience and worth of such a network, however, was put to the test in 2006 and 2007, when GM respectively closed the Azambuja plant in Portugal and tried to play the Delta plants off against each other. It is the first of these two issues that we now wish to consider in greater detail.

Azambuja

The benefit of a network characterised by a healthy degree of centrality which encourages nodes to play an active role in the network and one that can promote a common approach to problems of restructuring, became most evident in the dispute over the closure of the Azambuja plant in Portugal, 2006. Although the GM EWC was unable to stop the eventual closure of the Portuguese plant, the combined activities of all 18 GM plants in Europe was

not in vain. Two important successes could be recorded according to the GM EWC. Firstly, the pressure brought to bear on management by the EWC strengthened the hand of the local negotiators. As a consequence the best redundancy package ever agreed within the automobile industry, 240% on top of what Portuguese employees were legally entitled to, was made possible.

Secondly, and possibly more telling, the EWC was able to demonstrate its ability to coordinate a European-wide collective response, one unique in its breadth and duration. Our respondent proudly noted,

Though it was a defeat GM knows that next time it will not be so easy.

The way that the GM EWC coordinated the campaign to save the Portuguese plant says a lot about the way the network functions. On the one-hand the transparency that had been achieved through the process of decentralisation helped furnish the EWC with information that was essential in highlighting the kind of action each of the individual plants could be expected to undertake – this an acknowledgement of countries' different traditions in terms of industrial action. It was known, for example, that strike action within the eastern European plants was something very new and for this very reason possibly a too high expectation to ask of workers in Hungary and Poland. As a means of customising the campaign three options were drawn up from which plants could chose from. These included:

- Level 1: 24-hour strike
- Level 2: Information events to stop production (indirect strike activity)
- Level 3: Handing out leaflets

Interestingly, although option three was designed to accommodate plants in Eastern Europe, the Szentgotthard plant in Hungarian opted for level two, stopping production on 23 June 2006 (Tóth and Neumann 2006). The fact that the Hungarian workers felt a deep sense of responsibility towards other *nodes* within the network demonstrates the durability of the GM EWC network. They did not want to appear to be the weakest link in the chain.

Another key aspect of the strategy, one which exemplifies the intricacy of the network and consequently its *Gemeinschaft* character, involves the EWC sending observers to attend the event in question. In the case of Hungary, for example, an EWC delegate from the nearby Austrian plant represented the public face of the GM EWC. The presence of such individuals appears to have a solidifying and possibly even controlling effect (peer pressure) according to Whittall et al (2008). It helps remind, if

not the immediate workforce, certainly their representatives on the EWC, that they are members of a much larger family.

Intermediate summary

Within a ten-year period the GM EWC evolved into what Pulignano (2006) terms a “coordinative virtual network”, the exchange and collation of information used to facilitate collective action beyond national borders. GM EWC delegates have established a complex network of committees designed to refine the work of the EWC, a process that encourages specific informed responses as well as greater involvement in and identification with the EWC on the part of delegates. As a consequence, the GM EWC possesses two key qualities essential for it to function: centralisation and democracy. In this sense the GM EWC network could be considered a hybrid between the star and circle shape network. Although EWC officers understood the importance of having a central co-ordinating committee they were very conscious that the centre should not take on a hegemonic character.

10.5. Summary

The term network is widely used in studies on EWCs today. Unfortunately it has become a catch-all phrase which fails to acknowledge the different forms and internal structures which this European body may display. This chapter represents a first and somewhat modest attempt to rectify this deficit. Hopefully we have been able to demonstrate that only by studying a network’s contours, structure and web of communication is it possible to judge where a EWC is in its development.

As the two case studies demonstrate the character/structure of an EWC network influences the ability of such a network to play an important role in an environment marked by ever increasing employment insecurity. In contrast to BMW delegates the GM EWC acknowledged the need to address the problem of centrality associated with the star shape network. According to Telljohann (2007) a defining factor here can concern the nationality of the enterprise in question, non-European multinationals being more likely to develop greater employee coordination because they are not hampered by the “home country” problem. Home country is a variable that decisively describes the BMW situation, in particular because German delegates had important access to top management. Though we accept there is some validity in this argument the problem of hegemony need not be restricted to the home country variable. In the case of GM the sheer size of

the German workforce ensured that a degree of hegemony prevailed for a period in the early years.

What other factors then explain the different outcomes in, network structure at BMW and GM? Undoubtedly the major difference concerned the fact that the very existence of each and every one of the 18 GM plants was constantly under threat. As a result EWC delegates slowly began to commit themselves to an agenda which tried to “share the pain” - a term used by GM EWC delegates to refer to this strategy – instead of using this international body to promote purely local/national interests. However, commitment to each other in itself is not sufficient, like in all successful marriages a considerable amount of time and thought have to be invested in the cause. Relations not only have to develop a common aim, but they have to be intensive and prevalent at all times.

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