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Contested arenas of transnational industrial democracy: the case of European social dialogue in Arcelormittal

Theme 1. Management and Employees

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Abstract

The paper discusses the potential of European company agreements for the improvement of industrial democracy in transnational corporations. An actor-centred empirical analysis of the ArcelorMittal company agreement of 2009 illustrates the challenges trade unions face in social dialogue at transnational level. The empirical findings are based on qualitative interviews with trade unions active in ArcelorMittal in the three countries of Spain, Germany and Belgium, carried out between 2013 and 2016.

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Introduction

The paper discusses the company agreement between the European Metalworkers Federation (EMF, now industriAll) and the steel company ArcelorMittal as a potential tool to enhance industrial democracy in transnational corporations (TNCs). Transnational Company Agreements between global union federations and TNCs have gained increasing importance in recent years as potential tools to establish a labour voice in the global firm (Fichter, Helfen and Schiederig 2011; Leonardi 2012; Telljohann et al. 2009; Papadakis 2009). According to Schöman et al (2012: 7), "there is (…) a lack of institutions, instruments and initiatives allowing employees to pursue transnational strategies matching the globalised approaches of management". According to Christina Niforou (2012: 352), there exists already a considerable body of literature on the potential implications company agreements may have on employment relations and on the implementation of core labor standards, for example Papadakis et al (2008), Schömann (2008) or Telljohann et al. (2009). Recent studies discuss the role of European works councils in signing company agreements (da Costa, Pulignano, Rehfeldt and Telljohann 2012) and the potential of such agreements to strengthen transnational trade union federations (Helfen and Fichter 2013, Leonardi 2012) or to create or transform institutions of worker participation (Helfen and Sydow 2013).

The literature on the implementation on such agreements remains fairly limited in comparison (Niforou 2014). One important exception is the international comparative study on nineteen TCAs conducted by the Free University Berlin from 2008 until 2012. The study looked at the implementation of global agreements in the four countries of India, Brazil, Turkey and the United States. The researchers around Michael Fichter and Jörg Sydow found that in general, "implementation has been limited and has proven deficits, regardless of the particular national environment" (Sydow et al. 2014: 491). A large gap exists in the empirical literature on company

agreements concerning their potential to enhance industrial democracy at global (and not only national or local) level (Niforou 2014). The study by Egels-Zandén and Hyllman (2007) is one of the few empirical pieces that deal with the impact of company agreements on workplace democracy. Their findings indicate that transnational agreements between trade union federations and TNCs have a significant potential to improve workplace democracy compared to codes of conduct which proof to be of little effect if not counterproductive (Egels-Zandén and Hyllman 2007: 219).

The steel sector in Europe has a long history of social dialogue and worker participation and has always attracted the interest of scholars in the academic field of employment relations. The world´s biggest steel maker ArcelorMittal is standing out as the only true global player in this highly regionalized industry. The company has production sites all over the world and employs half of all European steel workers. Since 2006, the newly created corporation ArcelorMittal is headed by the Indian billionaire Lakshmi Mittal as CEO and has kept its place as the global leader in steel production with approximately 220 000 employees and steel-making operations in 19 countries on four continents (ArcelorMittal 2015a: 4). The world economic crisis since 2008 has severely affected the steel sector. ArcelorMittal has closed some factories in Europe and workers are facing ongoing restructuring measures. The company policy has been to concentrate production in the most profitable sites which has intensified inter-plant competition with significant effects on employment relations and transnational trade union co-ordination in the group. Compared to 2007, employment figures in Europe have gone down from 130 000 employees to 86 000 (ArcelorMittal 2015b). This has created many tensions between management and employees.

The ArcelorMittal company agreement was signed in 2009 and aimed at "promoting social dialogue at national and local level" (Rüb, Platzer and Müller 2013: 173). For this purpose, the agreement installs a new body of transnational employee relations, called „European Social Dialogue Group". The mission of this body is to ensure a "permanent exchange at high level" in Europe (EMF 2009: 4-5) between national trade unions, the European trade union federation EMF and the ArcelorMittal central management. Today the overall assessment of the Social Dialogue Group among employee representatives is mixed but most agree that the arrangement laid down in the agreement have not developed their full potential. The slow progress and even temporal blocking of the Social Dialogue Group can partly be explained by a reduced interest from the side of management but divergent expectations from the various trade unions involved also play a role.

The aim of the study is to examine how the ideational backgrounds of national trade unionists in ArcelorMittal play out in the company's European Social Dialogue Group. The main argument brought forward is that the Social Dialogue Group is significantly influenced by divergent national perceptions of workplace democracy. The composition, purpose and rules of this innovative transnational body remain contested between management and employees as well as among trade unions from different countries. To understand these 'dissonant cognitions' we relate the European Social Dialogue Group to the national discourse on industrial democracy in Germany, Belgium and Spain. The international comparative case study contributes to the empirical literature on the practical implementation of TCAs and develops new theoretical tools to analyse actors' identities, interests and strategies in the transnational contested space of the global firm (Edwards and Bélanger, 2009; Dörrenbächer and Geppert 2012). As Niforou (2012: 354) points out, "(f)urther research is required on whether and how actors' (converging or diverging) interests and motivations influence implementation and monitoring outcomes."

The novelty of the case study derives from its focus at the transnational level of implementation. The main research question is whether and how European arenas of social dialogue that are constructed through a voluntarist company agreement can develop into effective institutions of industrial democracy at European company level. The identities and strategies of actors are shaped but never determined by the framework of the company and the sector as well as national discourses on industrial democracy (González Menéndez and Martínez Lucio 2014; Bechter, Brandl and Meardi 2012).

The paper is organized as follows: in the theoretical section we develop an analytical framework for the study of transnational employment relations at European company level. For this purpose, we focus on actors' underlying background assumptions and identities and their conflicting interests, drawing on theories of industrial democracy (Naphtali 1928; Hirsowicz 1981; Adnett and Hardy 2005) and especially on recent studies of national industrial relations traditions and discourse (Gumbrell-McCormick and Hyman 2010; Frege 2005). In the methodology section we discuss the utility of an ethnographic approach to reveal employees' divergent background assumptions on industrial democracy. Following this, we review the historical differences in the national discourses on industrial democracy for the three countries of Germany, Spain and Belgium. In the empirical section we present how trade unionists from these three countries perceive the ArcelorMittal Social Dialogue Group and argue that different national perceptions of industrial democracy pose potential obstacles to labour internationalism at European level. The paper concludes that transnational company agreements, despite their voluntaristic nature, indeed have the potential to increase industrial democracy at transnational level. For this potential to unfold in reality, trade unions need to overcome common

misunderstandings and "dissonant cognitions" (Timming 2010) in European employment relations.

Theory: Arenas, Actors and Discourse

The main concern of this paper is the enhancement of industrial democracy at transnational company level. While there exists no universally accepted definition of the terms workplace or industrial democracy (Hirszowicz 1981: 232; Adnett and Hardy 2005: 176), all common understandings of these concepts involve informal or formal mechanisms that "facilitate the (direct or indirect) participation of workers in their establishment's decision-making" (IDE Research Group 1981: 4). These conceptualisations include "a variety of participatory form ranging from a lower to higher degree of workers' control" (Frege 2005: 154). Employment relations scholars advocating industrial democracy share the basic conviction that the political democracy that exists outside of the firm should be expanded to the corporate level through the promotion of employee voice (Adnett and Hardy 2005: 187).

We take an actor-centred institutional approach to industrial democracy which focuses on power games between actors in political arenas. The arena concept has much enriched institutionalist employment relations theories in recent years as a way of reconciling structure and agency (Müller-Jentsch 2004: 31). Köhler and Gonzélez (2009: 207) understand European bodies of employment relations to be potential "political arenas where the European labour movement can attempt to overcome diversity in order to participate in firm-level decision-making". Helfen and Fichter (2012) likewise apply an arena approach to the study of transnational company agreements. In their view, the concept of transnational 'arenas' is

helpful to convey a "bounded, dedicated and multi-level political space for specific actors" (Helfen and Fichter 2012: 556).

Scholars of industrial democracy generally focus on practical-organizational and policy-oriented implications of the respective research. Cross-national comparative studies of the management-labour relation tend to be descriptive with very limited reflection on actors' interests and strategies which make "workers' voice appear both over-determined and under-theorized" (González Menéndez & Martínez Lucio 2014: 382). One important exception is Frege's (2005) study of the national discourse on industrial democracy in Germany and the USA which constitutes a theoretical enrichment of the comparative employment relations camp. Frege (2005: 157) discusses how historically developed national "philosophies on state and society" in the two countries "were instrumental in shaping different national responses of how much democracy and in what form was desirable in the industrializing economies" in the 19th century. Her findings emphasize the importance of collective discourse in shaping institutions of employment relations at national level (Frege 2005: 172; see also Frege and Godard 2010). Frege contributes with a theoretical advancement to cross-national comparative research on employment relations.

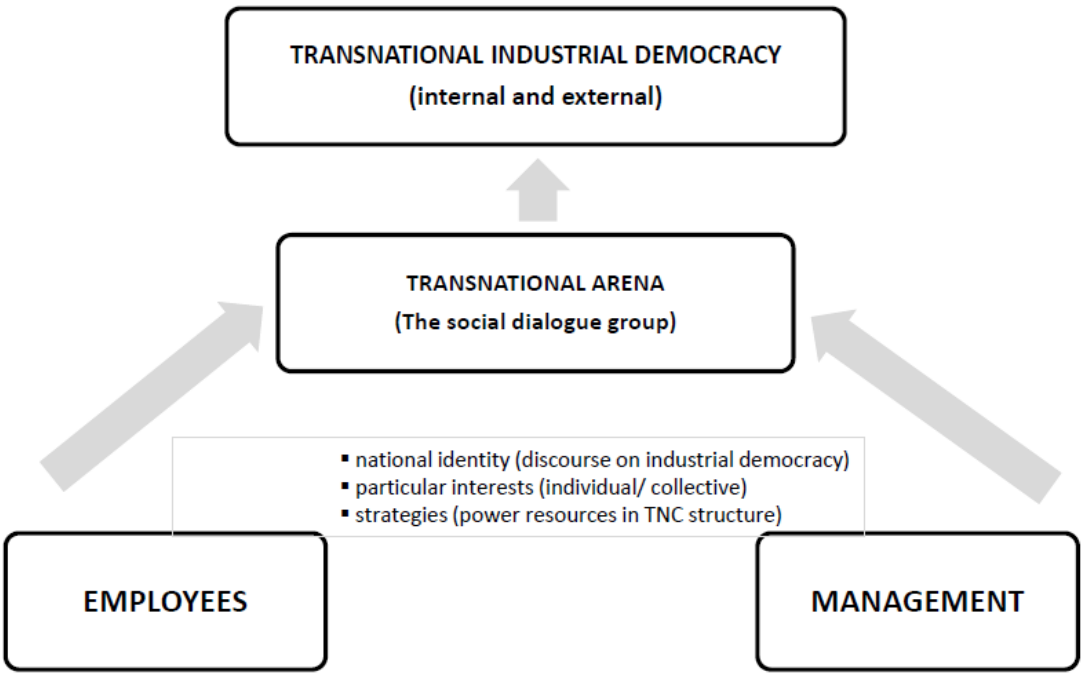
One can take Frege's (2005) argument further by looking at how *transnational* institutions of employment relations are shaped by *national* perceptions of how management-labour relations should be organized. International comparative research on delegates to European works councils (EWCs) has shown how employee representatives from various countries give very different meanings to these transnational institutions (Stoop 2004; Whittall, Knudsen and Huijgen 2007; Timming 2010). This necessarily results in divergent expectations towards the purpose and practice of European industrial democracy. Stoop (2004: 2005-2007) discusses

how the national practice of employment relations influences national delegations' trade union engagement in EWCs or the relative closeness or distance of national groups of workers to central management. The national case studies brought together by Whittal, Knudsen and Huijgen (2007) reveal that the identity of EWC members is very much influenced by their national background. There is also evidence for a tentatively evolving "transnational identity among representatives" within "the internal world of the corporation" and consequently "very much linked to the challenges and problems posed by the transnational corporation" (Whittal, Knudsen and Huijgen 2007: 223-224).

One key challenge in the construction of a European labour voice is "how to build common institutions and co-ordinated practices and attitudes at the European Union (EU) level on top of very different national industrial relations traditions" (Köhler and González Begega 2007: 133). As González Menéndez and Martínez Lucio (2014: 282) have pointed out, "there may also be competing trade union structures within works councils – this competition is an important element of any serious study of workers' voice". Timming (2010) examines the interaction between British and Dutch delegates to the EWC of a US-based transnational company. He argues that "(b)ecause delegates carry into the EWC a set of nationally constituted expectations with respect to how industrial relations are 'supposed' to unfold, normatively speaking, they do now always play by the same rules" (Timming 2010: 524). As a result, "diverse 'background assumptions' lead workers' representatives down divergent and often contradictory paths" (Timming 2010: 530). These "dissonant cognitions" result in "intersubjective noise", meaning that representatives from different countries do not find a common ground on which to build labour internationalism (Timming 2010: 531).

The present paper examines how the ideational background of national trade unionists in ArcelorMittal play out in the company's Social Dialogue Group at European level. This newly created institution is influenced by divergent national perceptions of workplace democracy. The composition, purpose and rules of this innovative transnational body remain contested between management and employees as well as among trade unions from different countries. The analysis in this case study combines agency and structure in a comprehensive analytical framework. Figure 1 visualizes our theoretical approach to European employment relations. The structure under research is the ArcelorMittal European Social Dialogue Group as a transnational arenas of employment relations. The agents in this case are (central) management, the European trade union industriAll and trade unions from Germany, Belgium and Spain. This framework provides heuristic tools for an empirical in depth-analysis of employment relations in one company.

Figure 1 Analytical Framework: Actors and Arenas in European employment relations



Methodology: An Ethnographic Company Study

This paper presents an in-depth case study of a single TNC that explores background assumptions of actors in transnational arenas of employment relations. As Köhler and González Begega point out in their work on EWCs, the increased use of case-study methods in European Industrial relations research "has resulted in very significant improvements in the identification of contextual factors which conditions information and consultation practice" (Köhler and González Begega 2010: 597). We have opted for a Single-N study rather than a company comparison because as Lervik (2011: 231-232) has pointed out, "(S)ingle-N studies are useful for exploring new phenomena, and for exploring, illustrating and developing theory" and "are especially suited to examining relations between multiple interdependent elements". The ArcelorMittal European Social Dialogue Group constitutes a unique and innovative arena of transnational employment relations and provides insights into the potential and pitfalls of labour internationalism. For single-case studies, "the virtue of the case is not its representativeness but rather its uniqueness" (Lervik 2011: 231). The case study does not claim for representativeness though the findings derived from fieldwork in ArcelorMittal can potentially inform other studies on the role of European company agreements in building up a semi-formal institutional labour voice in global firms.

The methodological approach draws heavily on Timming's (2010: 531) ethnomethodological framework for the study of European Works Councils. As Edwards, Almond and Colling (2011: 421) have pointed out for international studies on multinational corporations (MNCs), the core assumption is always "that actors in different countries within the same MNC have somewhat different identities" and the challenge for the researcher lies in accessing these identities through fieldwork. The method of choice in the present study is that of qualitative semi-structured in-depth interview. Interviewing is a common method in case-study research as this

tool provides for a high density of data and constitutes a way to explore the identities, interests and strategies that underlie actors' behaviour. I agree with Timming (2010) that the search for divergent national ideas of industrial democracy calls for an ethnographic analysis (or an "ethnomethodology", Garfinkel 2002) of the qualitative data gathered during fieldwork. An ethnographic analysis of the interview transcripts (looking for individual norms and values) aims to reveal respondents' "within-culture normativity" that explains "between-culture 'noise' or dissonance'" at European level (Timming 2010: 526).

The empirical evidence is derived from a total of thirteen semi-structured in-depth interviews with trade unionists from Spain, Belgium and Germany as well as representatives from industriAll and company management, conducted between 2013 and 2015. All respondents are former or current members or the ArcelorMittal Social Dialogue Group or have been involved in the negotiation of the respective company agreement. The research forms part of a larger PhD project at the University of Oviedo on the functioning and obstacles of European employment relations.

Case Selection: Germany, Spain and Belgium

The three countries selected provide for a balance between similarities and differences concerning workforce size, relation to management and national employment relations systems. In all three countries, a common feature of the employment relations system is the institutional separation of trade unions and works council, though in practice membership often overlaps (Gumbrell-McCormick and Hyman 2010: 307). Each country holds a comparably large portion of the company`s European workforce. This is translated into considerable weight of German, Belgian and Spanish trade unionists in the company's European Social Dialogue Group.

Unfortunately, we could not include Poland and France in our study which constitute by far the biggest groups of employees due to limited language skills and lack of access. The German workforce was least affected by the crisis as the number of employees has stayed roughly the same over the difficult years since 2007. In Spain, a partial plant closure has affected close to four hundred workers in Madrid in 2012 but lay-offs could be avoided through resettlement to other plants and voluntary retirement schemes, mainly going back to the provisions laid down in the national CBA since 2000. Relations with trade unions in Belgium are highly conflictual due to a partial plant closure in Liége, Wallonia. Compared to 2007, the Belgian workforce has been reduced almost by half. Table 1 summarizes the similarities and differences between the three countries in terms of the ArcelorMittal workforce development and trade union involvement.

Table 1 German, Spain and Belgium in ArcelorMittal

	GERMANY	SPAIN	BELGIUM
ArcelorMittal Workforce 12/2007	9,684	12,649	15,367
ArcelorMittal Workforce 12/2014	8,329	9,376	8,213
Reduction 2007-2014 (%)	- 14 %	- 26 %	- 47 %
Trade unions (national federations) in ArcelorMittal European Social Dialogue Group	IG Metall	UGT CCOO	FGTB CSC

In Germany, "the rights assigned to employee representatives are usually considered the strongest of any national system". (Gumbrell-McCormick and Hyman 2010: 290). Collective

bargaining is largely left to unions at sectoral level while the company works council negotiates workplace issues with the employer and often takes a co-operative position to management as it is legally obliged to "consider the company's economic goals" (Müller-Jentsch 1998: 191). The firm is seen as a collective organization rather than a simple private affair. In 19th-century Germany, the development of workplace democracy during industrialization was very much influenced by constitutionalist theories of the state as a guarantor of democratic rights (based on Rousseau, Kant and Hegel) and by the work of Fritz Naphtalie (1928). Napthalie (1928: 16) argued for a democratization of the economic governance. Industrial democracy in this sense involved strong legal participation rights for workers in the corporate enterprise.

This is in stark contrast to the classic concept of industrial democracy promoted by Sidney and Beatrice Webb (1897) in which trade unions and collective bargaining are central elements and which is influenced by "an instrumental mechanical view of the state" (Frege 2005: 156). The work of the Webbs (1897) was a central source in the American industrial democracy debate and underpins the persistence of Business Unionism in the US labour movement (Frege 2005: 168-169). The United States of America and Germany are often seen as having largely antagonistic national discourses of industrial democracy. In the U.S., democratizing enterprises is seen as a dangerous politicization of trade unions. As Frege (2005: 166) points out "this discourse was very much shaped by the American experience of slavery" which is why the "exit option for workers" is seen as the key workplace right.

Spanish employment relations are highly regulated with a traditionally strong role of the state. The system is characterized by a dual structure of representation through trade unions and works councils. However, "in practice the former two institutions are closely integrated with the two main unions, and indeed provide a forum within which they can reconcile their different

priorities (Gumbrell-McCormick and Hyman 2010: 296, based on Martínez Lucio, 1992: 501). Köhler (1993: 172) characterizes the Spanish trade union system as a "bi-union model with significant regional deviations", similar to the trade union reality in Italy and Latin America. The main trade unions in ArcelorMittal Spain are *Union General de Trabajadores* (UGT) and *Comissiones Orbreros* (CCOO). In contrast to Anglo-Saxon or European corporatist trade union cultures, in Spain we find "fragmented unions with particular ideological or party political links, competing collective bargaining levels and a high level of state intervention in labour relations (Köhler and Calleja Jiménez, 2013: 1). Spanish trade unions take an adversarial perspective towards industrial democracy. According to Köhler and González Begega (2007: 143), for Spanish employee representatives, taking part in "bodies of dialogue at European level inspired by the co-operative industrial relations model, implies a novelty". In general, "the industrial relations actors are not very internationalised in their orientation and practice and transnational institutions like EWCs don't generate much public debate and interest" (Köhler and González Begega 2009: 204).

Industrial Democracy in Belgium bears many similarities with the Spanish trade union system and is generally following the French tradition of adversarial employment relations. In Belgium`s dual representation system, "works councils are highly institutionalized, well demarcated from trade union delegations as consultative rather than negotiating bodies, but often working closely with them" (Gumbrell-McCormick and Hyman 2010: 296). The Belgian trade union tradition is adversarial and militant on the one hand and highly legalistic and counting on state interventions on the other. The Belgian bi-unionism consists of the two dominant national federations: the Christian CSC-ACV and the socialist FGTB-ABVV. The liberal CGSLB-ACLVB plays a much smaller role nationally and has almost no influence in industrial sectors. Trade unions are highly politicized (Knirsch, 214: 125). The socialist union federation understands industrial

democracy as collective bargaining and is critical towards any government participation in employment relations. The socialist doctrine of conflictual relations with management and the general goal of complete workers' control over the means of production go back to the writings of the Belgian politician Louis De Brouckère in the 1920s (Volkrokx and van Leemput 1998: 329). The industrial democracy discourse among socialist trade unions in Belgium today continues to focus on resistance against management through trade unions. Active worker participation in company decision-making remains largely absent from the debate. Such a collective bargaining approach to industrial democracy can be found in the writings of Sydney and Beverly Webb (1897) and is in contrast to the German tradition of co-management and peaceful conflict resolution inspired by Fritz Naphtalie (1928). The Christian trade unions hold a "corporatist notion of collaboration with employers, as promoted by the catholic Church" and do no generally oppose state intervention (Volkrokx and van Leemput 1998: 329; Knirsch, 2014: 129).

In the present analysis we aim to understand how the German, Belgian and Spanish ideas of the state, the firm and trade unionism play out the transnational level of employment relations. In the following section we relate the national discourses of industrial democracy in the three countries selected to European social dialogue in ArcelorMittal.

Empirical Evidence: Trade Union Perceptions of European Social Dialogue

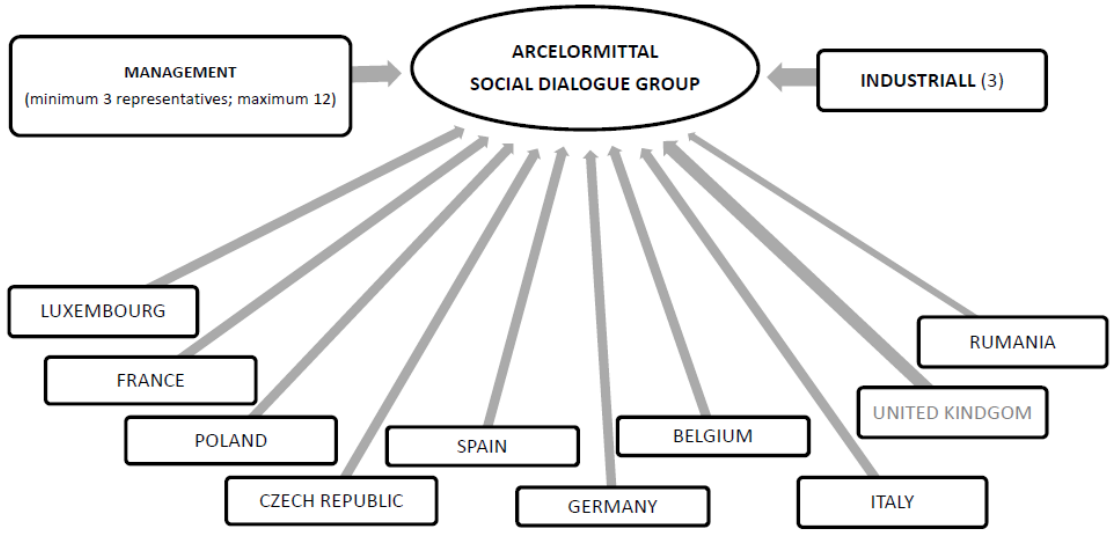
Structure and activities of the European Social Dialogue Group

The European social dialogue group between the EMF and the corporate management was formed in 2009 as laid down in the European company agreement and regular meetings took place over a period of two years. The ten countries with significant national workforces in the company are represented by one trade union delegate each. They are accompanied by three

industriAll representatives who prepare meetings together with the main management representative. The management side is permanently represented by one delegate from the company's European HR department and at least two other managers. In total, a maximum of thirteen managers can participate, depending on the topics and business divisions under discussion at the meetings. This way labour and management are represented by even numbers. Figure 2 visualizes the structure of the Social Dialogue Group.

As the crisis prevailed and mothballed furnaces were constantly shut down, the meetings became more conflictual and concrete outcomes looked out of reach for both sides. According to an industriAll representative the social dialogue group "was not bad but it never lived up to the expectations" (INT industriAll, 2014). After 2010, the local labour unrest in Belgium and France very much blocked any attempts for transnational conflict resolution. The partial closures of plants and permanent mothballing of industrial tools in Liége and Florange are considered to be violations of the company agreement by some trade unions as they included forced lay-offs. The text of the agreement includes a commitment to acoint plant closures and job loss and the overall idea of the agreement is to distribute production among the European plants to ensure that all production sites survive. According to Breidbach, Hering and Kruse (2013: 312), the agreement has had little effect on the reality at plant level because in the course of the crisis the company has "changed its strategy and fosters a concentration on so called core-plants". Management has largely abandoned the 'share the pain' approach underlying the agreement, arguing that "to organize production in this way" was simply "not the best way for the company" (INT ArcelorMittal, 2016).

Figure 2 Composition of the Social Dialogue Group



The Belgian trade unionists refused to take part in the European Social Dialogue Meetings after 2010 because of several conflicts with central management, many related to Liége. One of those conflicts centred on the non-implementation of the EFA in Belgium: the text of the agreement includes the installation of national bodies of social dialogue, similar to the transnational Social Dialogue Group. In Belgium, central management refused to set up such a committee, arguing that the Belgian production sites were too diverse and too small for the committee to make sense. The rejection to install a national social dialogue committee in Belgium can be considered to be a violation of the terms agreed upon in the company agreement of 2009 which included strengthening social dialogue at national level. Belgian trade unions do not believe that management has a real interest in engaging with trade unions.

"For trade unions, social dialogue is an investment in social peace. For ArcelorMittal, social dialogue is a cost." (INT ACV-CSC, 2015)

Management finally decided to put the Social Dialogue Group on hold in the year 2012, in agreement with industriAll. The main stumbling stones for peaceful dialogue at transnational level were the local plant closures in Florange, France and Liége, Belgium that were negotiated locally at the time and included several thousand job cuts. An IG Metall representative states: „It became rougher; the words became harsher (....). Especially French and Belgian managers and trade unionists entered into extreme problems of communication during the crisis" (Interview IG Metall, 2014). Acoording to an industriAll representative, "we put it (the Social Dialogue Group) on hold because the situation was too confrontational" (INT industriAll, 2014).

Between 2012 and 2014, the absence of European social dialogue was felt as a clear disadvantage for labour because access to central management became even more difficult (INT inudustriAll, 2014). In the view of trade unionists "now there exists less interest in social dialogue from the part of the ArcelorMittal management than before" (INT UGT, 2014). According to industriAll, the management was "just paying lip service to social dialogue" without actually being "prepared to play that role" of a social partner (INT IndustriAll, 2014). The non-binding nature of the European company agreement meant that trade unions could not exert legal pressure on management to re-install the European Social Dialogue Group.

> "At the end of the day, the company knows we can write anything we want, but we are not obliged to pursue and finalize what we wrote down. And that is why it is not working." (INT MWB- FGTB, 2014)

> "This is part of the agreement (...) but we cannot enforce it."
>
> (Interview IG Metall, 2014)

Management and the European trade union industriAll made a joint attempt to re-start the European Socila Dialogue Group in November 2014, when local negotiations in both Florange in France and Liége in Belgium were finished. To date, regular meetings are taking place. Both sides, management and employees, are keen to revitalize the dialogue at European level as an important add-on to local and national dialogue. The first meeting concluded in a joint commitment to continue the dialogue despite the many conflicts and controversial interpretations of the company agreement. Trade unionists insist that the Social Dialogue Group is an important arena to improve trade unions' access to central management.

> "We have to really discuss and never interrupt the process, we need to sit at the same table." (INT ArcelorMittal, 2015)

> "The Social Dialogue Group could be a good instrument. (…) We have to re-launch social dialogue through this." (INT ACV-CSC, 2015)

> We have to re-vitalize the social dialogue group." (INT CCOO, 2016)

> "This is a very important body for trade union officials." (INT IG Metall, 2015)

Contradicting concepts of representation

The Social Dialogue Group is inspired by dual systems of trade union representation as they exist in Belgium, France and Spain: the idea was to create a trade union delegation at European

company level that functions alongside and in close co-operation with the existing European Works Council (EWC) of ArcelorMittal. Bsaed on the French approach to industrial democracy, the underlying idea was for all labour delegates in the Social Dialogue Group to be union officials with no company ties. In practice, some delegates fulfil a double role as national trade union officials and local company employees.

> "What we wanted to create - under a different name, because we could not get that name - was a European Trade Union Delegation at European level, and in parallel to the European Works Council. (…) The idea was that all thirteen (trade union representatives) would be outsiders. We did in the end not manage to have that. (…) If you look at the French and Belgium models, very often the Trade Union Delegation is accompanied by an external Trade Union officer (…) and that was lacking." (INT industriAll, 2014)

The Spanish case is one example of delegates playing a double-role of trade unionist and employee representative. Due to a procedural detail, both UGT and CCOO are taking part in the meetings of the Social Dialogue Group with a representative. The current industriAll coordinator for the ArcelorMittal EWC is a representative of CCOO and participates in meetings as one of the three industriAll representatives. The Spanish delegate to the company's European Social Dialogue Group is an UGT representative. Both of them play a double role as trade union representatives and employee representatives, given that both are employed by ArcelorMittal in Spain. For Spanish trade unionists, only an ArcelorMittal employee can represent other employees, not a trade union official with no links to the firm. They look with suspicion towards trade unionists from other countries who are not involved in ArcelorMittal's daily operations and who thus lack insider knowledge.

> "Talking for UGT, in our case, (we believe) the person who understands best the metal sector will be someone who is coming from the metal sector (...) though with the profile of a national trade union secretary." (INT UGT, 2015)

The participating trade unionists from Germany and Belgium are not employed by the company but by their respective trade union. The German representative in the Social Dialogue Group is the national ArcelorMittal coordinator from the metalworkers' union IG Metall. The Belgian seat in the Social Dialogue Group rotates between the two majority trade unions in the Belgian ArcelorMittal plants: the socialist FGTB and the Christian CSC. The liberals play no role in the company which is not surprising seeing their low influence in industrial sectors in general. For Belgian delegates the European Social Dialogue Group, the main stumbling stone is the different interpretation of national mandates on the trade union side and the lack of real negotiating authority on the management side (INT ACV-CSC, 2015; MWB-FGTB, 2014).

> "It is difficult for some trade unions in Europe to make a difference between the social dialogue group and the EWC. (…) That is a problem of mandate. I do not work for ArcelorMittal. I am paid by my trade union. But other people who represent others countries are paid by ArcelorMittal. They are delegates, representatives from specific plants." (INT ACV-CSC, 2015)

Divergent trade union cultures

A closer look at trade unionists' perceptions of the Social Dialogue Group reveals that the problem of incompatible background assumptions on industrial democracy prevails after the re-installation of the transnational arena in 2014. The legalistic and adversarial Belgian discourse of industrial democracy leads unions to mistrust the European framework agreements as legally non-binding. The general Belgian mistrust towards voluntaristic agreements is re-enforced by the top-down approach of the ArcelorMittal management in Belgium. Trade unions have had the experience with the company that national and local elements of the agreement were not respected by management and social dialogue with unions has been rejected. The German IG Metall identifies the adversarial French and Belgian approach to social dialogue as one key stumbling stone for the European Social Dialogue Group. The German trade unionists are also highly critical of the bi-unionism in other countries.

> "Trade unionism is quite (…) active in France and in Southern parts of Belgium, we (…) defend workers in these sites. People (trade unionists) are negotiating flexibility arrangements, salary cuts, and stuff like that in other parts of the (ArcelorMittal) group. We are not doing that. We have never done that.
>
> (INT MWB-FGTB, 2014)

> "What we learn is that the Germans generally count on dialogue. This is uncommon in other countries such as Belgium and France. (…) There is a different culture of conflict resolution. (…) Plus, in France and Belgium we find a trade union plurality that sometimes makes processes of coordination more difficult – also because the trade

unions have diverging opinions among them, about how to find solutions. The result is dispute." (INT IG Metall, 2015)

Spanish trade unionists in ArcelorMittal partly uphold the national tradition of highly adversarial employment relations but also appear to become more inclined towards co-operative social dialogue under the pressure of European inter-plant completion (Benchmarking). The exchange with German co-workers in the company through small joint workshops before 2006 also plays a role here.

"The German perspective often has much logic for me, today even more than before. (…) I need to be smart enough to defend the interests of workers in Spain and at the same time defend the presence and development of my (ArcelorMittal) plants in Spain. This is a task I did not have before. Why? (…) Because in the end you will fight for the thing (the company) that sustains you." (INT UGT, 2014)

"Over here we say that an agreement is worth much more than a conflict." (INT CCOO, 2015)

Based on divergent national traditions of industrial democracy, some trade unions take an adversarial, conflictive stand to the Social Dialogue Group while others approach the meetings with management with a co-operative mind set.

Discussion of Comparative Findings

The ArcelorMittal European Social Dialogue Group provides for an insightful case study of labour's attempt to strengthen industrial democracy at company level. The empirical evidence allows for a cross-national comparison of trade unions' perceptions of and strategies towards a European body of employment relations. The perception of workers varies greatly concerning their role as employee representatives and concerning the tasks of the Social Dialogue Group.

The evidence presented in this paper shows that, in the view of trade unions, management has a reduced interest in institutional conflict resolution compared to the time when the EFA was signed. The company has violated important parts of the agreement, including the promise to maintain production sites and employment figures wherever possible. The implementation of other parts such as training guidelines is being delayed by management. The centralization of decision-making and the level of labour unrest have undoubtedly reached unprecedented levels in ArcelorMittal during the crisis from 2008 to 2014. Many trade unionists see the voluntaristic nature of the underlying company agreement and the absence of a binding legal obligation for companies as an important weakness of the European social dialogue group.

The empirical evidence suggests that the problems of the Social Dialogue Group cannot be explained one-dimensionally by "the powerlessness of the employee side in the face of political and economic realities" (Breidbach, Hering and Kruse 2013: 312). The little manoeuvring space left to labour under the economic and corporate circumstances seems not to have been put to use effectively. Employee representatives have not developed the capacity to act as social partners who actively protect minimum standards while at the same time taking a responsible part in restructuring. The findings from the present study are in line with Timming's (2010: 530) argument that "(i)n the absence of generally agreed upon and commonly constituted

'background assumptions', the scope for sustained cross-national cooperation is severely impaired". In the case of the ArcelorMittal Social Dialogue Group, the incongruent background assumptions, or "dissonant cognitions" among trade unionists concerning the composition and purpose of a transnational body of social dialogue lead to "intersubjective noise" (Timming 2010: 531) that blocks any unified position towards management. Similarly, Köhler and González Begega (2007: 144) have found that for Spanish EWC delegates "(t)he lack of knowledge of the industrial relations traditions represented on the labour side in the EWCs also poses a major communication barrier".

The question of representation is a major stumbling stone for the Social Dialogue Group. Belgian and German trade unionists believe that high-level trade union representatives are best prepared for negotiations independent of local plant interests. Spanish trade union officials on the other hand are almost exclusively employees of the companies in which they undertake social dialogue on behalf of the workforce. A second major source of 'dissonant cognitions' is the general stand point the European Social Dialogue Group should take towards management. The Belgian and Spanish trade unions follow the adversarial culture that is common in their workplaces, though to different degrees and in different ways, depending on the political background of the union. The German IG Metall generally extends the national co-operative tradition of industrial democracy to the transnational level and German representatives are consequently surprised by the conflictive approach followed by, for example, the Belgian FGTB.

Both labour and management voice a high motivation to continue the recently reactivated Social Dialogue Group. While the slightly improved company performance and economic situation of the whole sector suggest for an improvement in management-labour relations, the 'dissonant cognitions' described in this paper persist. Under these circumstances, the Social

Dialogue Group is unlikely to unfold its true potential and turn into an effective instrument of internal and external democracy at transnational company level. According to Frege and Godard (2010: 545), a historical analysis of national industrial democracy discourse reveals that "attempts to prescribe or alter representation rights are not likely to succeed unless they take into account not just the broader institutional environments within which these rights are (or are not) embedded, but also historically rooted institutional norms and traditions". Taken to the transnational level of industrial democracy, this means that innovative new arenas such as the Social Dialogue Group at ArcelorMittal can only develop their full potential if they respond sensitively to the discourses present among trade unions in the company. There is a need for a genuinely European debate in industriAll on national understandings of industrial democracy.

Conclusions

This paper has taken a closer look at trade union strategies at European level. The study has aimed to provide empirical insights into obstacles of labour internationalism through the application of ethnographic methods to a single-company in-depth study of transnational employment relations. We have proposed an analytical framework for the study of transnational employment relations at European company level that includes both the structural conditions of arenas and actors' identities and background assumption about industrial democracy. Future research will be helpful in further improving the framework applied to this study.

The case of ArcelorMittal illustrates a constant challenge for trade unions in TNCs: due to continued mergers and takeovers as well as internationalization pressures, "the constituencies

to be represented are shifting, and the carefully established understandings between representatives and managements are frequently disrupted by corporate restructuring" (Gumbrell-McCormick and Hyman 2010: 208). This challenge affects employee representation throughout Europe, both at national and transnational level. In the case of ArcelorMittal we can observe a general retreat of the employer from the idea of industrial democracy which is rather unsettling, seeing that the steel sector is historically a stronghold of co-determination.

The differences in national-specific background assumption pointed out in this paper shall not overshadow the fact that there is considerable common ground to walk on for trade unions in Europe. Gumbrell-McCormick and Hyman (2010: 288) argue that Western European societies share the basic principle "that firms are social institutions with a variety of stakeholders, not simply economic institutions accountable only to their shareholders; and that employees are thus in an important sense 'citizens' of the company in which they work". This principle, while very much contested in Anglo-Saxon societies and law systems, provides a fertile common ground for European employment relations.

The evidence presented here points out important obstacles to labour internationalism but by no means aims to provide a deterministic picture. In an ongoing Europeanization process, ideas and strategies of actors are subjects to constant change. The TNC is evidently the main playing field of employment relations for employee representatives in the European Union (Whittal et al. 2007). Consequently, a European trade union consensus on industrial democracy is not impossible but will certainly be company-specific for each case. This is in contrast to Timming's (2010: 532) conclusion who holds that "(t)he only viable foundation for cross-national cooperation would be a dominant European system of industrial relations, one that exists on a level sui generis and affords workers' representatives with commonly constituted 'background

assumptions'". New transnational arenas of employment relations created - for example through company agreements - do not necessarily have to follow one or the other national 'model' of industrial democracy. Their composition and purpose (in terms of representativeness and tasks) does not need to be pre-determined by European legislation – but they do need to be clear and accepted

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