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Crafting alternatives to corporate restructuring: Politics, institutions and union power in France and Canada

Mathieu Dupuis
Cornell University, USA

Corresponding author:
Mathieu Dupuis, Industrial and Labor Relations School, Cornell University, 343 Ives Hall, Ithaca, NY, 14853, USA
Email: md855@cornell.edu; mathieu.dupuis.1@umontreal.ca

Abstract

This article explores how local trade unionists mobilize politics and institutions in the face of threats of restructuring. I focus on three issues: first, how differences in regime types and institutional ‘densities’ affect plant closures; second, power and the social relationships of local actors; third, contingencies relating to the organizational characteristics of multinational corporations. I compare two workplaces in France and two in Canada in order to explain variations in union strategy, and find that the power resources and strategic capabilities of local unions that were decisive: unions that could effectively ‘invent’ alternative visions for their plants’ futures were most successful in mitigating negative outcomes from restructuring. I conclude by discussing the role of the state in plant closures and how unions can engage in contentious politics in an era of economic restructuring.

Keywords: Trade unions, multinational corporations, restructuring, labour market institutions, France, Canada

Introduction

Multinational corporations (MNCs) are often portrayed as capable of unilaterally imposing employment practices on their subsidiaries, but researchers increasingly present a more nuanced understanding of the politics surrounding the international transfer of employment practices. In addition, the state, its institutions and regulations, can have an impact on MNC behaviour. This reflects the extent to which, first, economic phenomena are social processes mediated by the actions of actors; and second, these processes are connected to institutional politics at different levels (Coe et al., 2004; Dicken, 2015). Moreover, regional and political institutions also affect the outcomes (Almond, 2011) and MNCs are heavily influenced by host-country institutions or business systems (Almond and Ferner, 2006). Regional specificities are relevant when it comes to attracting investment, as firms tend to develop specific activities in certain locations (Markusen, 1996).

While many have studied the way that managerial actors, firms and MNCs interact with institutions, little research has investigated the ways that trade unions mobilize political and economic
institutions to influence corporate decision-making. In a context of crisis and economic restructuring, the ways that unions engage with these institutions can reinforce their power and capabilities. Hence I address the following core questions: how do trade unions from different countries interact with political institutions in the context of corporate restructuring, what are their perceptions of these interactions, and do they lead to more ‘innovative’ strategies for influencing MNC decision-making or these forms of mobilization linked to other factors? In order to explore these questions on a cross-country basis, my research design compares two institutional contexts, France and Canada, drawing on four local case studies of firms that have faced restructuring in the automotive components sector.

My main argument is that power dynamics and social relations within firms represent critical aspects of strategy-making towards multinational restructuring. These factors proved more important impact than trade union embeddedness in political institutions. Even though institutional regimes affect trade unions’ strategic repertoires, they do not explain how and why actors, within and across regimes, build one strategy in favour of another. I also address the impact of public policies and institutions on economic development in an era of globalization, and find that the relationship is far from clear.

Below, I first briefly present the theoretical debates about trade union strategies and restructuring. Second, I describe the research methods used in this study. Third, I analyse the four case studies countries. Finally, I discuss the scope of my results, in particular assessing the impact of the political regime on restructuring in the manufacturing sector.

**Trade unions and corporate restructuring**

The literature on the institutional embeddedness of MNCs has mainly focused on how different forms of sub-national governance affect strategies to attract and retain foreign direct investment (FDI). Differences in institutional regionalism remain crucial in the era of globalization, and MNCs engage in ‘regime shopping’ (Streeck, 1991). Hence firms can play locations against one another in attempts to erode working conditions. In addition, Almond et al. (2014) have shown that regions and their institutional specificities can ‘embed’ MNCs and attract investment; MNCs also become ‘resource shoppers’ looking for specific assets that regional contexts can offer. In deploying such assets in terms of skills, training, transportation or financial incentives, regions can become ‘sticky places’ (Markusen, 1996) in attracting FDI. The degree of regional autonomy also contributes to the embeddedness of the MNCs within sub-national business systems (Almond, 2011).

While this growing literature has studied how MNCs interact with regional systems, there is less research on how trade unions mobilize institutions and political actors. As managers in MNCs at the local and subsidiary levels engage in micro-politics (Morgan and Kristensen, 2006) and benefit from local resources (Kristensen and Zeitlin, 2005), how do local unions mobilize institutions and political actors to affect corporate decision-making? Rainnie et al. (2011) show that specific ‘places’ with their own institutional coherence and history can shape union effectiveness. Likewise, Pulignano and Stewart (2012) have demonstrated that local trade unions can use institutions to affect corporate restructuring; and their two French cases demonstrated that strong linkages with political actors or regional unions helped shape the specific strategies used by local trade unions. Daley (1992) earlier demonstrated that French unions were more successful than their American counterparts in mitigating the negative effects of the 1980s steel crisis, particularly through their efforts in lobbying for state intervention. Moreau (2008) also underlined the importance of political institutions in the restructuring process.

Different regimes do not offer the same tools to actors when they engage in ‘contentious politics’ (Tilly, 2006; Tilly and Tarrow, 2006). In France, for instance, instruments like the accords de méthode (agreements that can derogate from legal regulations on redundancy) supplement more traditional institutional repertoires, including the information and consultation functions of the comités d’entreprise, access to an expert-comptable (accountant) at the company expense or the negotiation of a plan de sauvegarde de l’emploi (Didry and Jobert, 2010). New types of social dialogue on employment and skills also emerge at territorial level (Jobert, 2008). In addition to these legal instruments, unions also
experiment with political mobilization in order to influence managers over employment issues (Béthoux et al., 2011). In Canada, by contrast, few regulations on restructuring exist (Coutu, 2007). The role of the courts is important, as judges have interpreted the closing of sites, plants or companies as a normal choice under the guise of ‘free enterprise’. Collective bargaining and agreements on restructuring therefore remain the norm when it comes to plant closures.

In addition, how trade unions affect the restructuring process can be shaped by the power resources and strategic capabilities developed by local representatives. Their capacity to ‘act strategically’ and to enhance legitimacy results from internal dialogue (Dufour and Hege, 2010; Hyman, 2007), while the capacity to develop ‘innovative’ rather than ‘defensive’ strategies is shaped by union power (Lévesque and Murray, 2010). This power derives from specific resources (internal solidarity, narratives, networking, organizational resources) activated by strategic capabilities (framing, articulating, learning, and intermediating). In several empirical studies (Lévesque, 2003; Lévesque and DuFour-Poirier, 2005; Lévesque and Murray, 2005), researchers have categorized different strategies, ranging from defensive (simple opposition to managerial initiatives), to structured cooperation (cooperation with management without an autonomous agenda), to proactive or innovative (effective involvement with an autonomous agenda).

To enhance their power and representative capacities, the relations between elected representatives and workers are crucial, as strong and well-implanted unions can face challenges, regardless of their national location (Dufour and Hege, 2002, 2010, 2013). Local unions with strong power and capacities will be associated with ‘innovative’ strategies. As Béthoux and Jobert (2012) show, most unions will use different repertoires of action, related to formal institutions or other forms of mobilization, when it comes to addressing threats to employment. This approach does not contradict the literature on institutional embeddedness and the links that unions build with political and economic actors, but it emphasizes the importance of developing autonomous strategies and power resources. Similarly, the social relationships unions develop with local managers influence their strategies (Lévesque, 2003; Pulignano and Stewart, 2012); with positive social dialogue traditions may facilitate innovative strategies.

Other research has suggested the importance of the organizational structure of the MNCs in shaping how trade unions and local actors behave. Financialization and governance structures have an impact on employee participation, since publicly-listed companies are more affected by ‘shareholder value’ maximization and offer less space for dialogue and bargaining over employment issues (Lippert et al. 2014). Whether the company’s financial situations is good or bad also affects union strategies, since a good situation at the plant level can help create innovative strategies (Pulignano and Stewart, 2012).

Hence three lines of analysis are used to address trade union strategies in the context of restructuring. First, how strong linkages and interactions with political institutions and actors can lead to innovative strategies; second, how complex power resources and relationships influence strategies; third how company contingencies and structures influence strategies.

**Research methods**

In order to capture how far interactions between trade unions and political actors and institutions influence strategies, my research design involves two case studies of plants in each country that faced restructuring threats in the midst of the financial crisis of 2007-2008 and the ensuing economic crisis of 2008-2009. These cases are MNCs in the automotive components sector, which suffered major plant closures during the crisis. Anonymity was a condition of access.

France and Canada were selected to distinguish contrasting institutional settings. For analytical purposes, they constitute different ‘models’ with regards to state intervention and economic development. Though the dirigiste French model has evolved in past decades, the state is still interventionist by international standards (Levy, 2005), and institutions regarding restructuring are strongly regulated. Conversely, Canada adheres to a more ‘liberal’ model in terms of institutions and coordination (Hall and Gingerich, 2009), and specific regulations concerning plant closures and restructuring barely exist.
The four cases are situated in regions where the sector maintains a strong presence, and their institutions, cluster associations, policies, and actors reflect this. The first case (France-1) is located in the Rhône-Alpes region, which has a rich industrial tradition and a strong automotive components network; it possesses a development agency, the Pôle de compétitivité, initiated by the national government. The main business actors are federated through the Automotive cluster Rhônes-Alpes that represents 700 locations with 80,000 workers, making it the biggest automotive region in France. The second (France-2) is located in the Midi-Pyrénées/Toulouse region, very important for the aerospace and automobile sectors which are federated through the Autometech cluster of the Association régionale de l’industrie automobile en Midi-Pyrénées, covering 190 locations with more than 10,000 workers. Specific financial incentives for the industry exist in France, but are mainly managed at national level.

The two Canadian cases (Canada-1, Canada-2) are situated in the province of Ontario, at the heart of the Canadian ‘auto-alley’. The sector is concentrated in Ontario and consists of more than 100,000 workers in assembly, components and body and trailer manufacturing. The provincial and federal governments, and several actors in the sector, have grouped themselves in the Canadian Automotive Partnership Council, while mayors of major automotive cities have their own association called Ontario Auto Mayors. The provincial and federal governments have also developed specific tools to attract investment, ranging from tax breaks to subsidies for research and development.

Despite some differences in the type of production, as noted above the cases are situated in the same industrial segment, and in this respect are ‘most similar’. This segment was also selected because most studies in the automotive sector have focused on assembly plants, even though components MNCs are now important players in the sector. All four plants faced threats of closure during the 2007-09 financial and economic crises.

I conducted 44 interviews for this study between 2012 and 2015, with union representatives and experts in the sector: 5 and 8 interviews respectively in the two French plants, 7 and 8 in the Canadian plants and 8 above the plant level in each country. The focus on trade union narratives was related to data access and actors in a tense context of restructuring and, in some cases, a time of important conflict. This is certainly the main limitation of this study. However, this does not weaken the general argument, since my focus was on trade union perceptions and efforts to mobilize political actors and institutions. I also used secondary sources to provide a contextual analysis of the companies, countries, institutions and regions analysed, and to frame different narratives for the different actors. The main objectives of the semi-structured interviews were to make sense of the representatives’ experience with regards to restructuring, to capture which strategies were used and why, and to understand how they tried to mobilize institutions, politics or economic authorities. The interviews were analysed through qualitative analysis software and a coding grid.

The case studies

**France-1: Innovation to achieve industrial reconversion**

The plant belongs to a German MNC which is active across many sectors, and is vertically integrated into its production network. More than 300 workers were employed before the economic crisis, producing diesel pumps. The plant is highly unionized by French standards, and the majority union (54 percent at the last workplace elections) belongs to the CFDT (Confédération française démocratique du travail). While the company is committed to its more mature plants and has cultivated a positive social dialogue relationship with its unions, it started investing in Eastern Europe after EU accession in 2004 and France-1 has been unable to secure new products. In 2004, management announced that the plant would have to close. In 2005 derogation was agreed from the 35-hour week legislation, and France-1-Lyon was temporarily awarded a new product.

In 2009, management again announced that France-1 would have to close, as no new products had been awarded. The local union representatives did not accept this. First step towards this strategy was
to hire an expert-comptable, as provided by law. They also organized a ‘bike rally’ to the company head office and were met by their German counterparts. Headquarters managers met the delegation and agreed to allow them several months to find an alternative to the plant closure. This would involve a reindustrialization committee, independent of the comité d’entreprise but with employee and management representatives from the site level and from the group in France.

The committee functioned positively, with considerable collaboration between management and union representatives. The union strategy was primarily to gather information and find resources at both national and corporate levels. With the help of experts, they found that the company intended to invest in green energy and produce solar panels for European and French markets. This investment would be located in the Czech Republic, but the local union representatives pleaded for the investment be made at France-1, arguing that the plant was competitive and productive, and had the expertise to enable this reindustrialization. As part of its strategy, the local union tried to mobilize regional institutions and political actors, including the regional development agency which was formally part of the committee, but according to the interviewees did not play a major role. As one local representative explained, ‘the authorities basically said that our situation was a private issue’.

In the Rhône-Alpes region, there is considerable potential for green energy. There is a strong energy production chain. There are several producers in the region. For example, there are glass producers. In this region, we could build a photovoltaic cluster. As part of our strategy, we met the industry vice-president of the region. Basically, what they are saying is that their resources are limited. They can’t provide enough money to build that kind of cluster. We encounter those kinds of answers. As the governments are in deficit and they have to reduce spending, direct aid for that type of cluster is really hard to find.

Nevertheless, the company finally agreed to invest in France-1 once the committee completed its work. Reindustrialization took some two years and 70 workers lost their jobs, mainly through a retirement plan. The plant became a symbol of the effective involvement of trade unions in reindustrialization, attracting considerable attention. As one local trade unionist recalled, symbolic support from the state authorities became more salient after the reconversion: ‘No, I did not have the feeling at this moment that we had their support. Since we have been reconverted, politicians seemed to be more interested.’

The available power resources strongly influenced the local union strategy. While the representatives could count on strong implantation at the site level, with minimum opposition from the minority unions, they were also able to mobilize external resources through the European Works Council. As no other options for the future of the plant were available, they attempted to craft potential alternatives through the use of their strategic capabilities, proposing new frames of reference. We must also highlight the nature of positive social dialogue, related to the ‘paternalistic’ company tradition and ownership, which enabled trade unions to have an effective impact

**France-2: Conflict and opposition to concessions**

This plant opened in the 1980s as a sole supplier of electronic parts for a major French components manufacturer. Soon after it opened, France-2 was bought by a German MNC that invested massively in research and development to make the plant a flagship for its electronics division. In 2007 the company decided to sell its entire automotive parts division, and the political authorities pressured management to find a German buyer. A new MNC, the one studied in the context of this research, rebought this division through a complex financial arrangement. This firm, under a publicly-listed ownership model, became one of the largest suppliers in Europe. At this time, France-2 had more than 2,000 employees, most of whom worked in engineering and R&D. The CFDT and CGT (Confédération générale du travail) each
received 30 percent of the vote in the last elections and work closely together. The plant was in good financial standing, with stable contracts and high productivity.

As the economic crisis heavily affected the automotive sector in 2009, the company’s debts increased, since the repurchase of the new automotive parts division had been financed by loans. Global managers attempted to reduce costs by asking workers for concessions; these should amount to 8 percent of global remuneration, but national divisions and local plants were free to achieve these concessions by any means possible.

After imposing some minor savings in 2008, local managers announced complex plans to reduce labour costs at the end of 2009, in particular by extending working hours. The local trade unionists were surprised by these proposals since the plant was in good financial standing, and refused to agree. Managers reacted by threatening to close a production site associated with France-2 if no agreement was reached.

As negotiation began in 2010, the local representatives decided to oppose management’s proposals at all costs. From their point view, the measures were not financially justified, and they sought to compile supporting data with the help of an *expert-comptable*. However, some workers were afraid of losing their jobs and organized demonstrations, so that the union representatives were under pressure not only from managers, but also from co-workers.

One of the ways of finding support in this struggle was to develop relations outside the plant, notably with local political actors, as managers were spreading the word at the regional level that the plant was in financial difficulty. As one local trade unionist recalls:

> We booked a meeting with an elected official.... We had to adopt a political discourse. She was saying ‘yes, it’s clear, but the managers of the company say they are going to close the plant’. As they don’t know much about the economic and industrial situation, we had to find a language, specific terms to make them understand the facts. We did not convince them, they were staying in a waiting mode. They were not taking a position that was favourable to us, but they were not specifically against us.

As the negotiations stalled, mediation was called at regional level in order to find common ground between the positions of managers and unionists. A unionist describes this process in negative terms:

> Outside the company, when it’s going badly and the managers are saying that the workers must give up benefits that were promised to them, wherever it’s at in the regional level, the *direction du travail* [employment department] don’t give a damn.... If we look at the political actors at the regional level, it’s the same thing. They are asking the workers to give up some of their advantages, it does not cost anything in unemployment insurance and they avoid layoffs that are usually costly.

There was sharp criticism of the regional officials:

> It is always the same people. It is really business school, no cultural diversity. They are all the same type: white, French, Parisian.... There is one that understood our situation when they were trying to adopt the plan. We put economic data in front of her eyes. She was the only one that told us what they were looking for and what was behind their initiatives. With other elected representatives that we saw, there was a tendency to believe us, but they don’t go further in their analysis.

As mediation was aborted, the local managers organized a referendum at the plant, and this resulted in 52 percent support for the management demands, with a strong rate of abstention among sympathizers of the local union. Included in the French Labour Code is a right for representative unions to reject any agreement signed at local level, and they decided to block the agreement that was signed by
minority unions. No closure was attempted, and France-2-Toulouse still runs at full capacity with excellent financial results.

Two factors emerge from this analysis. The first is the internal legitimacy of the union representatives inside the site, not only with the workers but also with their managers. Conflict with some of the workforce left the unions with no choice but to use their ‘right to oppose’. A second factor was the financial performance and viability of the site. As the unions discovered that the financial results of the site and the MNC were improving, they felt justified to resist at all costs.

Canada-1: Negotiating risk reduction

The plant originally produced theatre seats, but in the 1950s was taken over by an American MNC to manufacture seat materials for cars. As the North American automotive industry expanded, Canada-1 grew fast, employing 900 workers in the 1980s. The local union was affiliated to the Canadian Auto Workers, which broke away from its US parent union in 1984 and in 2013 merged to form Unifor; it developed a strong militant stance and gained significant benefits and wage increases.

A turning point occurred in the 1990s when the company became publicly-listed and changed its overall strategy. With the adoption of NAFTA in 1994, the firm started developing capacities in Mexico at the expense of more mature locations in Canada and the USA. Since then, Canada-1 has faced serious problems. The union officers decided to develop new relationships at plant level, moving from a militant position to a ‘common goals’ strategy. The MNC, faced with high debts and a crumbling North American market, went bankrupt in 2009. Management planned to close the plant, as its main contracts were running out and the location was considered unsustainable. Part of the reason was the high cost of the collective agreement, notably the provision of pensions after 30 years of service. The priority of the union representatives was to avoid this closure by negotiating concessions, including an extension of the service required for a full pension. The MNC finally surfaced from bankruptcy, and Canada-1 escaped the closure threats, at least for the remaining years of the collective agreement.

When the collective agreement expired in 2012, the firm again announced the intention to close the plant. A major reason was the phasing out of products from Canada-1 that faced weak demand in the Canadian market. Local union representatives were again determined to save the plant. Part of their strategy was to obtain external help to enhance their power in bargaining a new collective agreement. As well as gaining support from the national union, they also tried to activate political and industrial networks at the local, provincial and federal levels. As one senior trade unionist recalled, ‘we tried to talk to politicians, but with no success. Economic Development [a state agency] did nothing for us. My colleague worked at the federal level, and they were not at all interested when it came to our sector. Really, we got no help from there.’ Another local representative added on this point: ‘We spent a big part of our union career talking to politicians, various times. Not just in the time of the crisis. It was not really successful.’ One representative complained that the local politicians were completely unsympathetic, and expected the union to make concessions:

And that's because most of the politicians I know never saw the inside of a manufacturing plant. They've got the perception, and it's all driven by the media or the business group. They certainly don’t engage with organized labour. They are really disconnected. The politicians around here are conservative. Their view is the market: it should work with the market

The local union therefore decided to bargain to restore the previous retirement formula to give a majority of workers access to the pension fund. Those who did not have enough seniority could stay at work, but for a lower overall wage. This was agreed partly because of positive relationships with managers at different levels, but also with the help of national union resources for bargaining. The plant was then saved for a second time, allowing a majority of the workers to retire.
Canada-1 is an example of a cooperative posture. Trade unionists who were interviewed pointed out that their engagement with managers at different levels helped them to bargain retirement for a majority of hourly workers. This is a result of prior change in their strategy and the fact that the union did not decide to pursue alternatives to plant closure. While different scenarios were imagined, including a strike, the elected representatives preferred to pursue a ‘risk reduction’ strategy through traditional forms of collective bargaining.

Canada-2: New union strategies for re-purchasing

This plant was set up during the 1980s as the sole producer of plastic interiors and electronic parts for a major American components manufacturer. A few years later, with the restructuring of automotive value chains in North America, Canada-2 was sold to a multinational which invested massively in machinery and training to make the plant a flagship location in the Ontario automotive sector. Canada-2 grew considerably in the 1990s, with more than 900 workers employed to produce for several customers. From the outset, the workers have been represented by Unifor and its predecessors, with strong relationships at different levels in the union structure. The union also sustained cordial relationships with managers, with few strikes.

In 2001, the company signalled its intention to sell its whole automotive parts division. A deal was quickly negotiated with a publicly-listed American MNC, which financed the purchase with help from the previous owner and a private-equity firm. As the sale was made official, a recession hit and the once surging Canadian automotive market experienced its first decline in years. Canada-2 started to downsize. In 2004, faced with major difficulties and a large debt, the MNC decided to go bankrupt in order to restructure its financial obligations. The American bankruptcy process was soon followed by the Canadian branch of the MNC going under the protection of the law for bankruptcy.

Despite the major difficulties of its parent company, Canada-2 remained open as a major contract with an equipment manufacturer in Ontario was still running. The first strategy used by the local trade unionists was to wait for a potential buyer, and several firms showed up as potential buyers of the profitable Canadian activities of the firm. These processes were finally abandoned since the plant was still running at high capacity with the contract remaining active. The parent MNC finally disintegrated and its Canadian branch was addressed by the court for bankruptcy purpose. Although enjoying strong financial performance, stable production and high quality, it was announced in 2008 that Canada-2-Guelph and its sister plants in Ontario would have to close in the coming months as no potential buyer appeared. A local representative described the uncertainty: ‘we were getting letters, not a specific date, “you will be indefinitely suspended, your return is unknown”. I got 4 or 5 letters myself in a very short period of time.’

The local union representatives started to build alternative strategies, as the closure would mean more than 300 workers losing their jobs. One initial move was to contact several actors at different levels of the national union. Another strategy was to get political support that could help in the restructuring process and to find an alternative buyer. The local union chair tried to mobilize such support at the provincial and also city levels. But this did not help: ‘I tried a couple of times to get the mayor, to bring her here. She said: “life will go on”, basically.... Our mayor here, she was not really interested.’ Another unionist added: ‘she felt that the city’s economy was sufficiently diversified to withstand the loss. Basically, she said: “If we lose it, so what?”’.

The local trade unionists then sought other alternatives to plant closures. Few options were on the table, but the union chair found a letter of agreement between a sister plant and a major North American manufacturer. The letter envisaged a potential buy-back of the plant, but the deal did not include Canada-2. The local union decided to transfer this letter to its national union office in order to find a way to be included in this buy-back. The national union had cultivated positive relationships for years with the potential buyer and had access to the main managers of the Canadian branch. Facing pressure from the national union, the managers agreed to consider Canada-2 in the creation of a new parts division. The local union then engaged in concession negotiations and stressed the quality and productivity of the plant.
The company finally agreed to buy back the whole division that included Canada-2, and set up a new branch integrated into its production network.

Two factors had an impact on the union strategy. The first is related to the power developed by the local union and its ability to retain legitimacy with the workers at a precarious time. As no new purchaser was identified, the union had to imagine alternative scenarios and, at the same time, convince the workers that this scenario was feasible. The strong financial results and the productivity of the plant were factors that convinced a potential buyer. Second, this was possible by external networking with their national union. Social dialogue and relationships between the union and the MNC were crucial, as it helped get access to managers and make the alternatives proposed by the local union a reality.

Cross-country analysis

The four cases display both differences and similarities. All plants were MNC subsidiaries and faced threats of restructuring during the crisis when the parent companies sought cost-cutting measures. However, the local unions pursued different paths in order to influence, participate in or block managerial initiatives to close plants. On the one hand, we can distinguish ‘innovative strategies’ to propose a concrete alternative to plant closure: in both France-1 and Canada-2, local representatives attempted to convince the company to change its plans. In France-1, this involved the creation of a reindustrialization committee. In Canada-2, the local union mobilized resources at different levels to achieve the repurchasing of the company. Conversely, in France-2 the local representatives saw managerial plans as completely unjustified, and the strategy of the union was to block these. Canada-1 is a more ambiguous case, but primarily ‘cooperative’ since local representatives decided to invest their resources in collective bargaining in order to save the plant for a sufficient time for a majority of workers obtain their pensions.

Since these cases differ within and across countries, what explains the variation in union strategies? The first strand of analysis concerns the interaction between local unions and institutional, economic and political actors, who might help in building creative strategies when unions face restructuring threats. All four local unions tried to mobilize political actors in order to lobby for the plants. This strategy was mainly directed towards tapping into political networks of local actors or, in certain cases (France-1, Canada-1), development agencies to find incentives for the owners to save the plants. However, we have seen that the results of these interactions were limited. France-1 managed to include the regional development agency in the reindustrialization committee, but the role of this agency was limited and its participation merely symbolic. The role of the political actors during the reconversion process was non-existent, though as the plant has become a ‘symbol’ of proactive union involvement, politicians now seem more willing to give their support.

We might expect more variation in the involvement of political or economic institutions in the process of restructuring, since the national contexts involve very different traditions of state intervention in economic development. Nonetheless, parallels can be found across the four cases. As the manufacturing sector has been under serious pressure for years in both countries, the will and the potential of political actors to commit to local plants is less than clear. Even if the contexts differ, effective interactions with institutions and political authorities have not been successful. This ranges from indifference towards the plant’s future (France-1, Canada-2) to the lack of comprehension of its particular situation (France-2, Canada-1). Hence, the relationship between institutions and the political embeddedness of the local unions, across countries and in different regions, had no impact on the dynamics of restructuring.

What differentiates the four cases? One main factor associated with innovative strategies has been how local trade unions mobilize power resources and capabilities, as well as developing innovative relationships. These results highlight the importance of union capabilities, in particular the ability to propose new frames of reference, and their impact on strategies, as the confirm the importance local union power and capabilities (Fairbrother, 2015; Lévesque and Murray, 2013). France-1 was able to frame alternatives to restructuring by proposing a reindustrialization committee and pursuing a fertile dialogue.
with managers at the local level. This strategy was reinforced by information analysis with the help of experts-comptables, as permitted by the Labour Code, and union networking at the national and international level. Even in totally different contexts, parallels can be traced with Canada-2. The local union was also able to frame alternatives to restructuring by engaging in intense research for a buyer, since the parent MNC could not escape bankruptcy. This frame was then adopted at the national level, with the help of external union resources, and a positive dialogue at both levels enabled the local union to negotiate the purchase of the plant. Canada-1 could also rely on fertile relationships at different levels in its MNC, though in some respects the strategic capabilities of the local union were more limited since the representatives preferred to cooperate at plant level in order to save the site from closure. That resulted in an agreement allowing workers to obtain their pensions. France-2 displayed less developed power resources and capabilities, particularly since union strategy was directed towards merely blocking the managerial initiative without proposing alternatives. This can also be explained by bad relationships with managers. Internal solidarity was also eroded in this case as many workers turned against their local representatives.

Contingency-related and organizational factors also played some role. The form of corporate governance and differences in capital structure differentiate France-1 from France-2. In the first case, the privately-owned MNC has a reputation for cultivating positive relationships with workers’ representatives at different levels; this facilitated the establishment of the reindustrialization committee, as several representatives confirmed. In France-2, this publicly-listed MNC has been seen as a high risk by its shareholders. This prevented positive labour relations with union representatives. In the Canadian context, this factor did not play much of a role because both plants operated under publicly-listed MNCs, though the financial situation of the site resulted in different trade union strategies. Canada-2 could plead more effectively to potential buyers since its performance and financial viability were high; while Canada-1 had been under threats of closure for years since it was considered to be ‘high cost’ by its parent MNC. Conversely, the good financial results and high productivity of France-2 were used as an argument to oppose managerial plans at all costs. On the other hand, France-1, with poor financial outcomes and plant performance, had to imagine different scenarios since the risk of closure was high. Therefore, the impact on local trade unions of structural conditions and organizational is mediated by the manner in which local representatives operate, on the ‘reflexivity’ of their situation and on how they can mobilize resources.

To sum up these findings, we must assess the impact of multiple factors to understand trade union strategies. First, there was no concrete impact of institutions or political actors on local trade unions, and the perception of local representatives has been mostly negative. Although the local unions tried to mobilize these resources, this strategy had limited effects. Second, power resources and social relationships lead to more creative strategies towards restructuring. In particular, the local unions at France-1, Canada-2 were able to propose new frames of reference with regard to the restructuring and to enable these frames to take effect by tapping into different types of relationship with managers at several levels; this facilitated more success, at least in the short run. Finally, it is hard to assess the direct impact of contingencies and MNC structure, since these play a different role according to the local context. MNC governance had an impact in France, but less in Canada. Good financial results were a resource for Canada-2 to promote the site, yet in France-2 union mobilization succeeded despite the bad financial situation of the site.

**Conclusion: Two scenarios**

The aim of this article was to question major scholarly debates about how local unions interact with institutions and political actors in an era of globalization and economic restructuring. It also explores different sources of power that could influence MNC decision-making. I compared different literature streams to confront the argument that institutional embeddedness is a key determinant. While most of the research about actors’ embeddedness has focused on MNCs, their subsidiaries and managers (Almond, 2011; Almond et al., 2014; Kristensen and Zeitlin, 2005; Morgan and Kristensen, 2006), I have suggested
that this embeddedness could also relate to trade unions and reinforce their strategies towards economic change. I have proposed two alternative explanations: these strategies may be shaped, first through power resources and capabilities (Lévesque and Murray, 2010) or second, through contingencies related to organizational characteristics of MNCs (Lippert et al., 2014; Pulignano and Stewart, 2012). The originality of my analysis was to compare different cases showing similarities (sectors, value chain position, restructuring), but also differences in institutional traditions and contexts, in order to capture variations in the way local trade unions interact with regional institutions.

Does the extent of interaction with political institutions and actors lead to more ‘innovative’ strategies? One finding of this study is that these interactions are ambiguous, even in different institutional contexts. Theoretically, one might expect different outcomes associated with types of interactions and variations in the mobilization of institutions across the cases, while the regional presence of a strong automotive cluster and concrete industrial associations and institutions might have an impact on local trade union strategies. Indeed, the four local unions tried to mobilize these types of institutions, but their strategies were not shaped by this factor. However, these results must be nuanced with reference to other cases that have shown concrete effects of political involvement in the context of restructuring: both countries have recently experienced significant political mobilization in the manufacturing sector, aerospace in Canada and steel in France. There is also an issue of temporality, since these cases were studied in a particular time period. As Béthoux and Jobert (2012) rightly point out, restructuring events have an emergency impact on trade union representatives, but can also open windows of opportunity to engage in more complex forms of action in the long run, including mobilizing political support.

This study shows that social relations within firm and union networks, as well as power resources and capabilities, are crucial to understanding ‘innovative’ strategies to save plants. Local unions’ characteristics, networks and capabilities seem to have more impact than institutions and political links.

Despite limitations of generalizability, two scenarios for the future of trade union action, public policies and embeddedness can be drawn from these findings. The first, rather pessimistic, is that the commitment of political actors towards existing plants, and to some extent, more ‘mature’ plants, is less than clear, even across different political regimes. Although a range of institutions and economic tools are available to help the automotive sector in those regions, their impact on plant closures is weak. One could suggest that these differences are symptomatic of a wider transformation of the state, so that political and economic institutions have become merely ‘managers’ of trade instead of ‘authorities’ when it comes to MNC activities in their territories. As Streeck (2014: 57) recently argued, ‘neoliberalism is incompatible with a democratic state, in so far as democracy involves a regime which, in the name of its citizens, deploys public authority to modify the distribution of economic goods resulting from market forces’. The trajectories of the role of the state in contemporary political economy suggest that labour can have minimal impact on these changes. As free trade and economic integration act as a conditioning framework, the role of trade unions is inevitably diminished.

A second scenario, as these results illustrate, suggests that trade unions should embrace ‘contentious politics’ in order to shape the changing political economic order in regions. As Hyman (2016: 20) argues, for unions ‘to defend employees at the workplace level and no less within the national (and international) political economy requires a confrontation with the dominant policy logic of our age’. This scenario means that considerable efforts are required, as union density and influence have declined in most Western countries and the relationships with traditional political parties have changed in past decades (Hyman and Gumbrell-McCormick, 2010). It also means that trade unions must and should engage in the development of strong capabilities to act (Fairbrother, 2015; Lévesque and Murray, 2010), linked to innovative narratives (Lévesque and Murray, 2013), if they want to succeed. As this article suggests, local unions have the capacity to build effective responses to restructuring and changes in MNCs by focusing on opportunities, information and solidarity. However, if these tactics are to succeed at the regional, national or international levels in order to ‘re-embed’ economics into social activities and institutions, trade unions must invest considerable efforts in promoting alternative progressive frames towards economic development while pursuing these frames in the political arena.
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Biographical note

Mathieu Dupuis recently gained his PhD from the Université de Montréal and is currently a postdoctoral researcher and visiting fellow at Cornell University ILR School.