

Trade unions in transnational automotive companies in Russia and Slovakia: Prospects for working-class power

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Abstract

This article compares industrial relations in production sites in Slovakia and Russia owned by a single transnational automotive firm, Volkswagen. We analyse the empirical data using a working-class power approach. In Slovakia, associational and institutional power is well developed and influenced by the model of German work councils, but structural power is weakly exercised and unions rely on non-conflictual engagement with management. In Russia, structural working-class power remains strong, but the opportunities for transforming this into lasting associational, let alone institutional power, remain limited; thus, new unions make use of unconventional methods of protest to promote worker interests.

Keywords

Automotive industry, employment relations, labour revitalization, post-socialism, Russia, Slovakia, trade unions, transnational companies, Volkswagen, working-class power

Introduction

This article compares industrial relations in two Volkswagen (VW) production sites, in Russia and Slovakia. The Russian case is based on long-term ethnographic fieldwork with workers and interviews with union representatives; the comparator case is drawn from recent scholarship. We assume that, although Russia and Slovakia present different post-communist economic settings, with the entry of a transnational firm the mode of workers'

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power is to a significant extent shaped by the company's economic direction and, to a lesser degree, by the national employment relations of its headquarters. The Slovak plant, established in 1991, can be seen as an extended workbench of the German headquarters, focusing entirely on export. Industrial relations at the site in Bratislava are strongly influenced by the German 'dual system' of employment relations. An institution similar to a works council mediates with management at plant level, while collective bargaining takes place between the trade union and plant and corporate management. At the Russian facility, newly established in 2008, production is by contrast exclusively focused on the domestic market. Lower interconnections and interdependence with the German headquarters, as a result of these specific economic objectives, result in less influence of the 'German' employment relations model. We argue that this production orientation, with a successful automobile firm entering the Russian market, offers the chance to find new modes of conflict and negotiation between workers and management in the context of an industrial relations system mainly oriented towards former Soviet legacies.

During the transition from socialism, Slovakia – like other Central Eastern European (CEE) countries – initially offered the potential for political and structural advantages for trade union organization, but little militancy has developed within transnational firms. In Russia, by contrast, there has been a rise in new, conflict-oriented trade unions challenging not only the foreign employers but also the established system of industrial relations. While in countries such as Slovakia, unions act equivocally and restrict their actions to mainly non-conflict engagement with management (Drahokoupil and Myant, 2015), new automotive unions in Russia make use of unconventional methods of protest to promote worker interests. Entangled interconnections and dependences of transnational firms along the value chain, largely lying beneath the surface, as well as differing national, political and economic characteristics of former socialist countries, make a comparative appraisal of the current situation of workers and their trade unions challenging. This calls for broad theoretical–conceptual considerations to uncover the mechanisms of worker interest representation in transnational automotive firms across borders in what are emerging as 'varieties' of post-socialist labour contexts. We therefore contextualize our empirical findings with a working-class power (WCP) approach, first comprehensively described by Silver (2005) and Wright (2000) and developed by Schmalz and Dörre (2014).

In this article, we focus on the German manufacturer VW in Russia and Slovakia. The data stem from long-term ethnographic fieldwork in the Kaluga region of Russia since 2009, focusing on labour responses to the decline in paternalism in local industry and the rise in neoliberal approaches to production relations, as well as the arrival of transnational automotive firms (Morris, 2011, 2012). In addition, we use interview-based field research from 2012 to 2013 focusing on the development of alternative unions in foreign firms, car producers and suppliers in Russia. To draw out connections and differences, we contrast our case with that of a Slovak plant of the same firm in Bratislava, where information was gathered through comprehensive documentary analysis. Our research investigates what sources of power are available to the predominantly young workforce in Russia and how newly established unions are able to direct these and use them in specific conflicts with employers, demonstrating structural power and even gaining associational strength. The research uncovers new forms of union activism in the particularly hostile-to-labour political and economic environment of contemporary Russia. By examining the Russian case

in a comparative CEE context, we highlight the uneven development of WCP in post-socialist countries that all experienced a strong shift towards neoliberalism during the transition.

Below, we first introduce the WCP resource approach as a theoretical concept to contextualize our empirical findings. We propose WCP as an innovative tool of analysis of contemporary developments in workers' power and labour interest representation in the wake of the continuing exploitation of labour by global firms in peripheral and semi-peripheral countries (which include post-socialist states). We then trace the different pre-conditions of workers' power resources in the automotive sector, focusing on the development of trade unions in Russia and Slovakia, respectively. Following the examination of power relations in the industry, we examine the actual successes, setbacks and difficulties trade unions agitating in multinational corporations (MNCs) face in each country, as well as possible shifts in power. Finally, we show how our theoretical approach helps understand the complex nature of employment relations in a transnational perspective.

The WCP approach

Our theoretical departure is the systematic conceptualization of WCP that offers analysis of employment relations from a transnational and diachronic perspective (Schmalz and Dörre, 2014; Silver, 2005; Wright, 2000). This approach allows us to examine the state of particular industrial relations systems in a comparative way – here contrasting two cases in different national contexts – while taking account of their historical legacies as post-socialist countries. Moreover, studying WCP in transnational contexts reveals processes of possible labour revitalization in a comparative perspective. This is particularly noteworthy, as so far the literature on labour revitalization tends to focus on national contexts in the global north, or MNC home countries, rarely taking account of semi-peripheral or peripheral countries, as well as infrequently considering post-communist legacies (Lee and Trappmann, 2014).

In our analysis, we look at three distinct forms of power resources, all developing in phases, each emerging out of one another, and partly competing with each other. These processes are not to be understood in a sense of absolute linearity, but it is possible to analyse changes in the systems of employment relations as changes in the deployability of power resources (Dörre, 2011: 267).

The primary source of workers' power is their *structural power*, indicated by *market-place bargaining power* on the one hand and *workplace bargaining power* on the other. The former is a direct result of tight labour markets, characterized by the possession of scarce skills demanded by employers, low unemployment, and workers' ability to withdraw labour (Silver, 2005: 31). The segmentation of labour markets as well as state interventions and regulatory regimes have significant influence on workers' structural power (Schmalz and Dörre, 2014: 223). The latter contributes to structural power and describes the strategic position of workers within a key industrial sector (Wright, 2000: 962). Important export branches and highly integrated production processes such as the automotive industry enable workers to disrupt these processes through local strikes and protests, to an extent that is not possible in other areas (Silver, 2005: 31). Even actions

short of a strike, such as working-to-rule or sabotage, can be effective in wresting higher wages and better working conditions from employers, because they entail similarly high costs (Schmalz and Dörre, 2014: 222).

Associational power relates to workers' capabilities to establish functioning collective organizations, such as trade unions, to represent their interests in opposition to capital (Wright, 2000: 962). Associational power can partially substitute for structural power, but cannot fully replace it (Brinkmann et al., 2008: 25; Hinz and Woschnack, 2013). Its operationalization relies on organizational processes and the formation of collective actors, in contrast to primary power (Silver, 2005: 30–31). Schmalz and Dörre identify five main characteristics determining associational power. First, higher union density in single branches and stronger workers' organizations at plant level make it more likely that workers are successfully represented. A second indicator is infrastructural resources, such as trade union property as well as their personnel resources. Organizational efficiency is a third indicator. Fourth, member participation – whether union members engage in strikes and other protest forms, but also in internal processes of discussion – is an important factor. The fifth indicator is internal cohesion of the organization, meaning the solidarity of union members (Schmalz and Dörre, 2014: 225–226). Organizational flexibility is also crucial in exercising meaningful associational power. This could mean specific recombination of resources such as organizing and mobilizing new members (Schmalz and Dörre, 2014: 226).

Third, we consider workers' *institutional power*: the result of negotiations and conflicts carried out through structural or associational power. Institutional power as a secondary workers' resource usually builds upon these sources of workers' power, and institutions are the concrete form of the two primary sources (Brinkmann and Nachtwey, 2010: 21). Schmalz and Dörre (2014) claim that while institutional power bestows on trade unions' comprehensive rights, it simultaneously leads to constraints on their capability for action as organizations (pp. 227–230). Institutional power presents a dilemma to unions: as they gain legitimacy they tend to become less conflict-oriented, but they risk losing members and therefore associational power if they become more acquiescent to employers and the state, both of which legitimate unions' institutional power. Unions need to find a way to balance themselves as organizations within this vicious circle. Institutional power can persist even when societal balances of power have shifted, as long as organizations such as trade unions are capable of acting as authentic representatives of workers' interests and are accepted as such. Trade unions can still use institutional power resources when their associational power is in (long-term) decline (Brinkmann et al., 2008: 25). On the other hand, institutional power can also erode over time. Typically, this occurs during intense phases of globalization involving relocations of production in order to save costs and increase flexibility for capital, or through targeted assaults, such as significant changes in labour laws (Schmalz and Dörre, 2014: 229).

Power imbalances: employment relations in Russia and Slovakia

Russia's trade union umbrella organization FNPR (*Federatsiya Nezavisimyykh Profsoyuzov Rossii*) is the largest of its kind in Europe, with approximately 24 million members (Bizyukov and Grishko, 2012). Affiliates of this huge association are the inheritors of the

former 'official' unions, which were directly subordinated to the communist party. With few exceptions, they act as preservers of the Soviet legacies, mostly being responsible for administering and distributing social benefits to the workforce under management's guidelines (Ashwin and Clarke, 2002; Mandel, 2004). Although these unions still enjoy strong institutional power because of their intensive cooperation with the state, FNPR affiliates are so dependent on the state that their associational power is inexorably eroding. This means that institutional power is less and less underpinned by consistent associational power and is very fragile, with massive loss of members since 1990 and a lack of serious organizational restructuring. FNPR unions rarely initiate strikes or other forms of protest action, despite workers' growing discontent with structural and plant-specific issues and their increasing demand to have their interests represented in terms of wages, working time and health and safety. FNPR unions reject class conflict, which is not compatible with their bureaucratic self-conception, so fail to use their potential structural power to give voice to workers' demands (Olimpieva, 2012).

About a sixth of Slovak workers are trade union members; density there is considerably higher than in many other CEE countries. While KOZ SR (*Konfederácia odborových zväzov Slovenskej republiky*) is the dominant umbrella organization and mainly performs coordinating functions, its individual affiliates act mostly autonomously (Glassner and Galgóczi, 2009). KOZ SR separated in 1993 from the former Czechoslovak ČSKOS (*Československá konfederace odborových svazů*), itself the successor of the previous communist confederation. Like most CEE union organizations, the Slovak trade unions have experienced significant membership losses during and after transition: since 1993, numbers have shrunk from around 1.5 million to 310,000 (Glassner and Galgóczi, 2009; Ost, 2009). As in Russia, Slovak unions are not known for conflict-oriented actions; strikes and protests are rare (Drahokoupil and Myant, 2015). As in Russia, an apparent remnant of socialist-era paternalistic production culture is the high significance for workers of maintaining a social wage (Voss et al., 2006). Slovak unions have pursued reform from within, reorienting themselves towards serving workers' shifting demands and making serious attempts to influence government policies.

By contrast, the FNPR unions in Russia have been largely mute, busy defending their institutional power, giving in to state-forced concessions, most often carried out on the backs of their members (Ashwin and Clarke, 2002; Kohl, 2008; Mandel, 2004; Vinogradova et al., 2012). Gimpelson and Kapeliushnikov (2011) highlight the 'peculiar' structural adjustment of the transition period, when the highly unionized industrial workforce suffered a halving of real wages over a period of less than 10 years. This labour 'quiescence' was the price for avoiding mass layoffs (Vinogradova et al., 2012). In such an environment, workers grew more and more frustrated, eventually leading to some cycles of intense and desperate protest action beyond the organizational structures of traditional unions (Greene and Robertson, 2009).

With the beginning of the neoliberalization of the labour market from 1990 onwards, there were serious attempts to build alternative unions, focusing on conflict and agitation. This suggested that some transformation of the established and inflexible industrial relations system might be possible, creating a serious counterpart to the 'dinosaur' unions belonging to FNPR (Greene and Robertson, 2009). However, these attempts failed, partly because of internal organizational conflicts among the leaders as well as the strong support for FNPR unions from the state. While the alternative unions were able to

demonstrate strong structural power in a number of sectors, especially manufacturing and transport, they experienced significant difficulties in gaining stable associational power or meaningful institutional power. This led to their collapse only a few years after they first appeared. Their most considerable achievement however was the emergence of two further umbrella organizations in 1995, KTR (*Konfederatsiya truda Rossii*) and VKT (*Vserossiiskaya konfederatsiya truda*, which merged into KTR in 2010), which were officially acknowledged and organize about 3 million members (Bizyukov and Grishko, 2012). But to date, employment relations in Russia are marked by an overpresence of the traditional FNPR unions, while simultaneously characterized by inertia of both their union organizations and their members (Olimpieva, 2012).

After Slovakia became independent in 1993, several trade unions emerged which acted independently of the dominant KOZ SR. These were mainly in sectors that enjoy strong bargaining power, such as transport; but they never fully gained recognition and could not challenge fundamentally the existing trade union system (Kohl, 2008). As Stein (2001) puts it, 'labour radicalism never found a foothold among workers'. Labour and unions alike pursued goals through quiescence instead of significant protest action, least of all social unrest. This set the stage for the particularly harsh neoliberalization of the Slovak economy after independence in 1993, which accelerated after 2004 when the country joined the EU (Lee and Trappmann, 2014). There were some noteworthy union breakaways in the mid-1990s: OZ KOVO (*Odborový zväz Kovo*), the largest sectoral affiliate of KOZ SR, very critical of the conservative Mečiar government, split when one union committee which supported Mečiar founded its own union, *Metallurg*. Both eventually merged again in 2009, after a generational change in leadership (Lee and Trappmann, 2014).

In some respects, the established trade unions of both Russia and Slovakia have experienced similar developments. The traditional unions in both countries tried to preserve their fragile institutional establishment and their continually weakening associational power, acting relatively non-politically and subservient to the governments of the day (Kohl, 2008; Olimpieva, 2012), and achieving at best an 'illusory corporatism' (Crowley, 2004; Ost, 2000, 2009).

However, during recent years we again observe the development of a new alternative union movement in Russia, challenging the traditional system of employment relations. The new unions have also evolved in economic sectors characterized by significant bargaining power, especially in foreign firms. In our contrasting Slovak case, nothing similar happened after foreign firms made their first appearance, often during the 1990s. The following sections contrast the three main sources of WCP, focusing on the VW plants in Bratislava and Kaluga to provide an explanatory approach for these uneven developments in roughly comparable post-socialist contexts.

Workers' power in employment relations in VW in Russia and Slovakia

Below we explore the growth of workers' power in VW's Russian plant, where such developments are particularly visible, and then contrast this case with a company facility in Slovakia, where workers remain quiescent despite high union density and considerable apparent bargaining power.

Although the Russian economy relies heavily on natural resources such as oil and gas, the automotive industry is a key sector for the government, which aims to diversify the domestic economy and modernize its technological base. By 2008, Russia was the fastest growing vehicle market in the world by value (Krkoska and Spencer, 2008), though still representing only 4 percent of gross domestic product (GDP). Car production offers great potential for innovation and therefore enjoys significant support and subsidies. Both domestic and foreign firms benefit from state incentives, but the latter have become increasingly dominant because of their superior productivity (Arutyunova and Orlova, 2013; Traub-Merz, 2015). Consequently, one of the main government objectives is the (further) attraction of foreign capital to build joint ventures with Russian car producers or to invest in greenfield sites, offering unified taxes as well as providing tailored infrastructure in a number of regions all over the country.

The Kaluga region, directly bordering the Moscow area in the southwest, has been particularly attractive to foreign car-makers, not only because of numerous incentives from the regional government, but also because of the close geographical proximity to Moscow and Western Europe (Deutsch-Russische Außenhandelskammer, 2012). VW, the largest foreign car producer in Russia settled here in 2008, accompanied by a number of significant foreign suppliers; it employs around 6000 workers at its Kaluga facility. The Kaluga region is one of the most economically advanced in Russia and is highly dependent on the automotive firms.

In Slovakia, as in Russia, this sector was established as a main pillar of production and was rewarded with a number of infrastructural investments attracting foreign capital, such as the creation of industrial parks, flat taxes and governmental subsidies (Pavlínek, 2014). Especially after joining the EU in 2004, Slovakia became an ever more important space for car production by foreign manufacturers. The automotive industry accounts for 12 percent of GDP, and per capita car production in Slovakia is the highest in the world. Among the new EU member states, it is the third largest producer, after the Czech Republic and Poland (Pavlínek, 2014).

The VW group employs some 42,000 workers in CEE, primarily in Slovakia and the Czech Republic (Voss et al., 2006). As early as 1991, as part of its ambitious CEE expansion strategy, VW established its main Slovak subsidiary as a joint venture at a brown-field site in Bratislava, which was built in the 1980s as part of BAZ (*Bratislavské automobilové závody*), where Škoda produced its cars (Pavlínek, 2014). When the German firm eventually took over the Czech brand in 1999, it simultaneously became owner of the factory. Currently, about 8600 workers are employed there (Jakubiak et al., 2008). As in the Kaluga region, the entry of VW to the Bratislava region was followed by foreign suppliers, which gave the region a considerable economic boost.

In both countries, most employees work in assembly; only around 15 percent in Slovakia and 30 percent in Kaluga are employed as technicians or administrative workers (Voss et al., 2006). Not surprisingly, the firm experiences similar challenges in hiring and retaining skilled labour in both countries, where there are increasing labour shortages and some workers commute up to 100 km to the plants (Deutsch-Russische Außenhandelskammer, 2012; Hancké, 2011). Despite this local work, there is still significant labour migration from Kaluga to Moscow, which is only a 2- to 3-hour train ride (Falkner, 2012). Simultaneously, the informal economy remains a realistic alternative for

many workers (Morris, 2014). Both factors indicate greater structural WCP in Russia as a result of the particular paths from socialism each country has taken and the varieties of capitalism their economies now represent (Lane and Myant, 2006).

The growing significance of foreign firms in Russia in the 2000s heralded a new area of alternative trade unionism (Chetvernina, 2009; Olimpiewa, 2012). Newly emerging unions, independent of the traditional system of employment relations, quickly took the chance to address workers' rights and interests in the MNCs. Like the alternative unions of the 1990s, small unions at company level emerged out of conflicts between workers and management. They made use of workers' strong marketplace and workplace bargaining power in the automotive industry, by mobilizing large groups of workers in the production process in order to achieve demands evolving around wages, working time and workplace health and safety. Most of these small local unions are affiliated to the Interregional Trade Union of Autoworkers (*Mezhregional'nyi Profsoiuz Rabochaia Assotsiatsiia [MPRA]*), the dominant alternative union in automotive MNCs (Krzywdzinski, 2011; Olimpiewa, 2012).

Not surprisingly, the VW plant in Kaluga became comprehensively unionized, supported by the MPRA, shortly after the factory opened. Only in 2012, 4 years later, with some 1200 workers organized, did the union gain formal recognition from management. MPRA is the dominant union at the plant, though membership is relatively low, around 23 percent of production operatives. Two much smaller unions are also present at the plant. One is an enterprise organization of ASM (*Profsoiuz rabotnikov avtomobil'nogo i sel'skokhoziaistvennogo mashinostroeniia Rossiiskoi Federatsii*), affiliated to the FNPR, which MPRA activists describe as a 'Soviet-minded' ('zheltyi') union because of its cooperation with management. However, the two unions often bargain together. The other union, *Nezavisimy i innovatsionnyi professional'nyi soiuz* (NIP), is rumoured to have been created by management and acts with its full support. The relationship of all parties is marked by lack of communication and low levels of trust. Relations between management and the MPRA can be described as tense and difficult from the very beginning. Because management notoriously refuses to engage with the union, the latter sees no alternative but to call strikes and protests in order to articulate workers' basic interests. When labour conflicts arise at the plant and cannot be solved through negotiation, protest action occurs frequently. Some mobilizations involve unconventional methods, such as working to rule or country-wide boycotts.

In Slovakia, on the other hand, despite a similar growth in the presence of global firms, especially in the car industry, there have not been any significant challenges to the established system of employment relations or to the dominant trade union organization (Kohl, 2008; Stein, 2001). Relations at VW Bratislava are considered to be an exemplary well-functioning cooperation between union and management. The only union present is part of the large sectoral federation OZ KOVO. Density at the plant is very high, around 74 percent. There is a stable process of collective bargaining and trade union representatives are members of several joint committees, for example, on health and safety, and there are regular meetings between union and management (Voss et al., 2006). Overall, worker representation by the trade union is considered to be satisfactory by both sides, and the relationship between the parties is described as 'good, constructive and cooperative' (Tholen, 2008; Voss et al., 2006). The local union acts much like a German works council in terms of operation, plant-level dialogue and negotiation practice as well as

worker interest representation (Voss et al., 2006). However, collective agreements tend to be weak, with little effect on management decisions, only on their implementation (Glassner and Galgóczi, 2009). Neither the union nor the workers independently have initiated any strikes in order to enforce their demands. Although there have been a couple of strike notices by the union, the parties reached an agreement in each case.

Opportunities and limits of structural bargaining power

At the onset of transition, Russia and CEE had very similar economic and employment structures (Cazes and Nesporova, 2001). In Russia though, labour turnover has remained very high (Gimpelson and Lippoldt, 1997; Lehman and Wadsworth, 2000; Morris, 2011). Fit and skilled workers are in short supply, workers ‘churn’ frequently, and make significant use of alternative informal work. These and other factors indicate potentially high structural power. In CEE, labour turnover is much lower (Cazes and Nesporova, 2001) and the informal economy is less significant: thus labour is much less scarce.

As noted above, the automotive sector dominates Kaluga region, giving workers significant marketplace bargaining power. This becomes most evident in a very high turnover rate at the VW plant: an annual turnover of 1000 workers is not unusual. While many of these departures are voluntary, because of other job options, including in the informal economy, a significant number can be classified as compulsory. These workers leave the plant after only a short time because of infringements of strict rules or in response to disciplinary measures short of dismissal by the draconian management. This strengthens workers’ marketplace bargaining power in the long term: as fewer and fewer people are willing to work at the plant, those remaining gain in bargaining strength, well aware of labour shortages. So far, the workers and their union have been fairly successful in demonstrating their power in the production process by threatening strikes or protests in order to force management to negotiate collectively. Until now, management has usually given in before actual protest action occurs, acknowledging labour’s power. By giving in to some demands and concessions, it avoids heavy costs resulting from stoppages or other interferences in the production process.

As in Kaluga, workers employed in the automotive industry in the Bratislava region enjoy very high levels of marketplace bargaining power, especially as firms like VW also experience increasing labour shortages and struggle to recruit sufficient skilled workers. Accordingly, workers mostly leave the plant of their own accord, frequently citing ambitions to migrate to Western European countries, where they anticipate higher wages (Perry and Power, 2007). It is unclear whether a high turnover rate here also partially reflects an oppressive managerial environment in terms of oppressive monitoring, punitive actions and a lack of autonomy, as is the case in Kaluga, but this is not very likely as a number of sources claim good relations between workers and management. While we lack clear empirical data on Slovakia, in Kaluga it is widely known that there is open conflict smouldering between management and workforce (Pavlínek, 2014; Tholen, 2008; Voss et al., 2006). As the plant produces for export markets and VW depends very much on its CEE facilities, workers could possess a similarly high workplace bargaining power as at the Kaluga plant: strikes and protests would, as in Kaluga which manufactures for the domestic market, lead to very high costs for the firm, causing problems in achieving the plant’s production target figures. However, this potentially high structural

power in Slovakia is at the same time counteracted through this very export orientation. VW in Russia relies solely on its Russian facilities for serving the domestic market, as the only alternative would be to import cars to Russia, which is considerably more expensive for VW and other MNCs and would also be resisted by the government. In contrast, VW management in Slovakia could always threaten workers with the relocation of production to countries where labour is cheaper. In over 24 years that VW has been present in Bratislava, no strike has ever occurred (Wuestner, 2012).

The ambiguous reality of associational power

All protest action taking place at the Kaluga plant – except for an act of sabotage that took place in 2013, when a number of cars in production were irreparably damaged after management announced an extension of working time over weekends and holidays – is initiated by the MPRA union, eager to articulate workers' demands regarding wages and working time. Besides also being engaged in the improvement of working conditions surrounding health and safety issues, one of the main demands of the union is a reduction in agency work, which is used excessively by management. MPRA was able to gain a significant number of members in the course of the first collective bargaining period in 2012, which it initiated after the union at Benteler, one of VW's key suppliers in close proximity, reached a collective agreement with management after large-scale strike and protest action that also affected VW production. For VW management, it must have been a clear sign that the demands, and the ability to follow through on the threat of strikes, were backed up by a substantial proportion of the workforce in the plant and beyond. They had reason to fear that the union would mobilize its members at the supplier plant for strategic protest action, to force management to negotiate with the union.

So within a short period of time, the MPRA union, especially at plant and local levels, managed to recruit many new members, willing to fight for their claims and occasionally doing so through strikes and frequent protest actions, that may not be overt at first glance. These include working to rule, which almost like a 'real' strike imposes tremendous costs on the firm. Further advantages of such covert action are the avoidance of strict and repressive labour laws that set high barriers for trade unions to declare a legal strike in the first place. What also fosters the plant organizations' associational power is the low hierarchical structure of the union at sectoral level. Fewer bureaucratic hurdles within the organization are to the advantage of the relatively autonomous local unions. While a high proportion of the membership dues of traditional unions in Russia is spent on social benefits, those received by the MPRA unions are usually distributed differently. Since many of its organizations are militant and conflict oriented, significant proportions of dues go to the strike fund. However, despite this rather optimistic assessment of the union's associational power, the MPRA, at both plant and sectoral levels, is still at the learning stage and struggles to stabilize its resources. One example is that after the collective agreement reached with VW in 2012, there was a significant fall in membership, from 33 to 23 percent of the workforce. The difficulty of combining the varying interests of members and at the same time informing the workforce about the current state of negotiations with management is a crucial obstacle to obtaining lasting associational power, according to union activists in Kaluga.

Given the high union density, associational power at VW in Bratislava is much higher than in Kaluga. But it is important to note that this union had existed at the plant for roughly 10 years before VW acquired it. This also means that most union members have been inherited from the socialist period, when union membership was mandatory. The preconditions for associational power, especially given high union density here, therefore have to be clearly distinguished. When VW opened its plant in Kaluga, there was no union present at first, which gave the alternative unions a sufficient chance to organize the workforce; there was no need to break established close relations between management and traditional unions that are still typical for numerous Russian firms. Also, union representation at these two VW facilities follows entirely different self-conceptions. While the dominant union in Kaluga does not entirely reject the tactical possibility of treating management as a partner in collective bargaining, it stresses much more their asymmetric relationship and focuses on conflict and the enforcement of workers' demands through threatening management with protest actions and a willingness to carry these through. The opposite seems to be the case in Bratislava, where management and union see each other as equal partners, regularly negotiating agreements in collective bargaining rounds, with the union being involved in a number of joint committees and meetings. In effect, associational power relies much less on the union's ability to mobilize the workforce. Instead, it tends to rest on the ability to act as co-managers and sustain membership at the same time. Ultimately, unlike the Russian case, VW in Slovakia can claim a corporate culture for its Bratislava plant that seems strongly influenced by the parent enterprise with its German model of industrial relations. This is the perspective not only of management, but of the union as well, as the workforce perceives VW Slovakia as a German enterprise (Tholen, 2008). Although there are some loose connections between the German metalworkers' union, *IG (Industriegewerkschaft) Metall*, and MPRA in Kaluga, the latter does not refer to this 'Rhineland' model of capitalism with its distinctive system of industrial relations. Instead, the union almost completely rejects any idea of establishing 'social partnership', preferring to grow from below in its own local context, with struggle being their main instrument of assertiveness.

Institutional embedding as an ambivalent power resource of trade unions

Although the MPRA and its confederation KTR, which contains mostly alternative unions, have gained formal recognition as official trade unions, the institutional power of the Russian sectoral unions is low. Collective agreements, where they exist, are limited to plant level. There are no comprehensive bargaining negotiations at sectoral or sectoral–regional level, which keeps the unions' actions mainly local and their influence limited. This mostly reflects the priority of the plant organizations to improve basic working conditions in their own factory, viewing binding agreements beyond the plant as 'far away'. Also, there is no employers' association in the automotive sector, which means that the MPRA would have no sectoral collective bargaining counterpart. Like their predecessors in the 1990s, these new unions are confronted by the difficulties of transforming their exceptional successes in the domain of basic structural power into a lasting associational and to meaningful institutional power and influence. Their limited institutional power is also largely restrained by the state, which has no interest in a transformation of the

employment relations system that would give such alternative, conflict-oriented unions significant opportunities to gain power. The government fears that the radical unions may have ambitions to interfere directly in labour market and social policies, or may gain the capability to provoke broader forms of social unrest. To avoid such a scenario, the government prefers to keep the traditional unions artificially as the dominant actors in the sphere of employment relations, despite the growth of their rivals. With an overall reform of the labour code in 2001, it took an important step in restricting capacities to act, especially for smaller, alternative unions (Greene and Robertson, 2009; Olimpieva, 2012). While a lower degree of institutional power can make unions more flexible and adaptable, it is questionable whether the new unions will be able not only to survive but to extend their organization under these hostile circumstances.

Institutional power of the trade union in Bratislava seems firmly established. Not only is the union formally recognized by management and accepted as a bargaining partner, but collective bargaining is a normal and functioning part of the employment relations framework in Slovakia, where sectoral agreements are even generally binding (Kohl, 2008). While there has been a downward spiral in associational power, given the declining number of union members, the Slovak unions benefit from their traditional institutional incorporation inherited from the socialist past. This is similar to the traditional Russian unions. Both rely to a great extent on this power factor, which is continually eroding. Additionally, the Slovak unions have also experienced a fall in their institutional and consequently their associational power through comprehensive reforms of the labour code, especially since 2004 after joining the EU, restricting a number of established union rights and subsequently implementing more employer-friendly legislation (Drahokoupil and Myant, 2015; Meardi, 2007a). However, the Slovak automotive union at VW Bratislava also enjoys an element of transnational institutional power, as it is part of the VW European works council as well as its global works council. Since employment relations in the Bratislava plant are often referred to as heavily influenced by the traditional German system of employment relations, the OZ KOVO organization benefits from these structures, with a high dependence on the institutional power of workers' interest representation originating from the German national context (Tholen, 2008).

Conclusion

In utilizing the WCP approach, we emphasize its advantages in showing interrelations of workers' power among global firms and its ability to provide insights into employment relations in transnational contexts. Although we focus on the merits of the WCP approach, we also acknowledge its limitations. These also relate to transnational contexts: processes of globalization may give rise to communities of struggle that compensate for nation-specific weaknesses in WCP. This is indicated in the Russian case, where weaker associational and institutional power – so far – is less relevant in the face of the ongoing legacy of strong structural bargaining power despite incorporation into the global economy. In the Slovak case, labour quiescence derives from the double-edged nature of stronger institutional and associational power, which is predicted by WCP theory. More problematic is accounting for path-dependency and the dynamism of neoliberalization over time. Just as the plant in Slovakia appears strongly influenced by the German

industrial relations culture, especially in the context of the plant organization similar to works councils, the neoliberal ordering of production regimes was already present in the early 1990s; unions had no time to adjust to the new economic and social realities.

In Russia, the embedding of neoliberalism in production relations remains patchy and incomplete. Unions, like workers, find ecological niches in changing political economies. In both cases, therefore, path-dependency of labour's positioning in the specific types of capitalism emerging after socialism must be acknowledged, but is not the complete picture. The firm's specific purposes in each post-socialist country account for the direction developed by employment relations at plant level. While the influence of actors of established industrial relations continues to be salient in the Slovak case, mainly serving the export goals set by the German headquarters, the same does not apply to the plant in Russia, exclusively built up to produce for Russian consumer markets and therefore not dependent on the goodwill of 'superior' plants. Thus far, employment relations from the German headquarters have limited effects on negotiation processes in Russia, leading to opportunities for path-dependent learning by young trade unions, which gain entry to the newly emerging transnational firms, an insight explored in other post-communist contexts by Meardi (2007b).

As Meardi shows, bottom-up processes in MNCs can be significant in helping to break the path-dependency of post-communist unions, in spite of frequent employer and state hostility. As for VW operating in Russia, workers face few risks of relocating production to other countries where work costs are lower, since the obstacles to importing cars to Russia are set extremely high for foreign firms. Aware of this, structural power is unusually strong. And while production in Slovakia is of key importance for the firm and workers' power is generally solid, the option of relocating production for cost reasons (such as 'uncontrollably' rising wages) is always there. In terms of keeping their workplaces, workers seemingly benefit from quiescence combined with the implementation of parts of the German model of employment relations, demonstrating solid associational power while putting up mostly borrowed institutional strength. Their scope of action diminishes to a minimum compared to their seemingly strong production and marketplace bargaining power.

At first sight, the development of a new conflict-oriented union movement in booming regions of Russia appears to be promising. It has successfully represented worker interests and challenged the traditional bureaucratic union system through a comprehensive organization of members, particularly in foreign owned firms which experience intense labour shortages. While unions gained some considerable achievements at plant level across a number of MNCs in the automotive sector during a period of roughly 10 years, their prospects for lasting consolidation are not great. Our analysis using the WCP approach shows that the gains are mainly due to workers' high primary bargaining power, which is largely fostered by the company's exclusive reliance on the Russian domestic car market, unlike in Slovakia. MPRA has experienced a notable decline in membership, leading to stagnation in the development of associational power. The localized character of the unions as well as the low level of organization of employers prevents sectoral agreements. This continues up to the institutional level, where those new union formations have practically no way of overcoming the stalled institutions of employment relations marked by traditional unions and a pseudo-paternalist state. Thus, a shift in the power balance of this established system is nowhere in sight.

Although, from a transnational perspective, the system of industrial relations in Slovakia is much less conflict-oriented and least of all challenged by new union formations, it shows that employment relations at a local level can borrow or be indirectly influenced by other established systems of industrial relations: here, the German model. While this is subject to the rising pressures of neoliberal forces, it has the strength to reach beyond borders, so that the particular employment relations at VW Bratislava can benefit from the established institutional power of workers and their interest representation organizations at the German main plant, through the mere presence of transnational actors such as the European works council and the global works council.

While so far the younger VW plant in Kaluga cannot rely on such elaborated transnational institutions, the Slovak case shows that the fostering of transnational industrial relations at company level can at least temporarily contribute to the development of employment relations at plant level. In Russia, it also shows that neoliberal intensification through globalization also presents an opportunity for trade unions in transnational perspective to gain power. However, the ongoing substitution of institutional power, especially based on a limited or weakening associational power in all national contexts, cannot hide the fact that the most urgent change needs to take place within the country-specific contexts of employment relations.

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