Transnational companies and the «new» industrial relations. A vehicle to re-think the regulatory boundaries of the nation-state

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Abstract
Trans-National Companies (TNCs) have been labelled as the driving forces behind the process of internationalization. Since the early 1990s TNCs have been regarded as leading actors in any changes to industrial relations. Their ability to surpass national borders has turned them into a big threat for the stability of the various national agreements that developed after the Second World War. Our intention is to review the relations between the actors before firms decided to internationalize. We examine the various initiatives that have been set in motion at a trans-national level in recent decades to regain some democratic control over the activity of TNCs, particularly in the European Union. We have developed a conceptual framework which analyses TNCs as political power arenas at the micro and meso level.

Keywords: restructuring and relocation, trade unions, new forms of workers’ representation, concession bargaining.

Resumen
Las Empresas Transnacionales (ETN) han sido calificadas como las fuerzas conductivas del proceso de internacionalización. Desde la década de los años 90 han sido también consideradas como actores centrales del cambio en las relaciones laborales. Su capacidad para traspasar las fronteras nacionales les ha convertido en una amenaza para la estabilidad de los acuerdos nacionales sobre relaciones laborales. En este artículo se revisa la relación que vinculó a empresas, Estado y organizaciones de representación de trabajadores dentro de los marcos nacionales de relaciones laborales antes de que las primeras se internacionalizaran sus capacidades productivas, y examinamos las distintas iniciativas de las últimas décadas para recuperar el control democrático sobre las actividades de las ETN, particularmente en el contexto de la Unión Europea. Se desarrolla un marco conceptual de análisis micro y meso de la ETN como complejo político de dimensiones transnacionales.

Palabras clave: reestructuración y deslocalización, sindicatos, nuevas formas de representación de los trabajadores, negociación (colectiva) de concesiones.
1. Introduction

The current situation of industrial relations in the era of transnational corporations is best described in an image by Ulrich Beck (2000: 89). During the first age of modernity, capital, labour and state played at making sand cakes in the sandpit. Now, suddenly, business has been given a mechanical digger and is emptying the whole sandpit. The trade unions and the politicians, on the other hand, have been left out of the new game, have gone into a huff and are crying for mummy.

In the last two decades, research on industrial relations has paid special attention to the growing capacity of transnational corporations to operate across national borders. It is widely agreed that the way in which transnational corporations operate is a threat to the established relation between employers and employees, as they affect the basis on which this relation was founded in many Western countries during the second half of the 20th century in two main ways. First, because the upsurge of transnational corporations has eroded the capacity of the nation-state to participate, to mediate or to arbitrate industrial relations. And second, because this has caused an unbalance in the social contract between employers and employees to share risks, but also possible benefits (Berger et alii, 2001; Eckardt et alii, 1999; Edwards, 1999; Faust et alii, 2003, Ferner and Quintanilla, 1998).

This article summarises some issues studied by several research projects on transnational corporations in a variety of industrial sectors and institutional contexts (see Köhler, 2007, 2008a and b, 2004, 2002, 1999; Eckardt, Köhler and Pries, 1999; Köhler and González Begega, 2009, 2008, 2007a-c, 2004; Köhler, Martín Méndez and van den Broek, 2008). It focuses particularly on industrial relations in the course of the ongoing internationalization of firms. We start with an outline of some significant theoretical approaches to transnational corporations. In particular, we refer to those that deal with the internationalization tradition of firms and the impact on corporate decision-making networks. The critical revision of this literature brings us to our own concept of TNCs as political arenas and power relation networks.

Applying this concept, we analyse how trade unions and workers representatives respond to the internationalization of firms and the difficulties they face. In the third section, we summarise the empirical findings and identify three main challenges for workers’ interest organisations in TNCs. Conclusions follow.
2. The transnational corporation as a political complex

The aim of this section is not to reconstruct the long debate on the internationalization of firms, but to explain our conceptual view on the issue and summarise some empirical findings. Much of the literature describes the development of transnational corporations as a linear trajectory. This teleological conceptualization is simple in the extreme, as is argued in Dicken et alii (1994: 25): first, a firm begins as a producer for its domestic market; then, it is motivated to sell into export markets from its domestic base; circumstances eventually encourage the firm to locate production facilities overseas to serve its former export markets or to penetrate new ones; subsequently, technological changes (especially in transport and communications) make it possible for a firm to take advantage of geographical differentials in factor costs and availability on a global scale; and finally, being a global player in terms of sourcing, production and distribution, the firm is transformed into a fully integrated transnational corporation also in decision-making.

This approach, shared by several «one best way» authors like Kenichi Ohmae or managers like the former president of Philips, Wisse Dekker, is not only too deterministic, simple and descriptive, but also empirically unproved. The stage-naming storytelling does not speak of other possible ways of internationalization, nor does it discuss situations that require different strategic requirements. It only constructs a kind of ‘one road/one way’ internationalization, like the «transnational solution» in the framework of an evolutionary paradigm for corporate trajectories (see table 1 below, Bartlett and Ghoshal, 1989: 92).

**Table 1. Organizational types of firms with overseas operations**

<table>
<thead>
<tr>
<th>Organizational features</th>
<th>Multinational firm</th>
<th>Global firm</th>
<th>International firm</th>
<th>Transnational firm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Configuration of values and abilities</td>
<td>Decentralized and independent in the national framework</td>
<td>Centralized and world market oriented</td>
<td>Core competencies centralized, others decentralized</td>
<td>Disperse, interdependent and specialized</td>
</tr>
<tr>
<td>Role of foreign subsidiaries</td>
<td>To create and exploit local market chances</td>
<td>To implement the strategy defined by headquarters</td>
<td>To adapt and apply the competencies defined by headquarters</td>
<td>To contribute to integrated worldwide activities</td>
</tr>
<tr>
<td>Development and dissemination of knowledge</td>
<td>Knowledge is generated by each unit</td>
<td>Knowledge is generated and managed by headquarters</td>
<td>Knowledge is generated by headquarters, then transferred and adapted by each unit</td>
<td>Knowledge is developed and used in conjunction with others</td>
</tr>
</tbody>
</table>
In this respect, we clearly differ from those economic theories that reduce corporate decision making to problem-solving instruments which follow rational criteria (reduction of transaction costs, economic coordination in situations of imperfect information, etc.) and conceive firms as monolithic blocks. Instead we propose to analyse transnational corporations as political organizations, because firms are part of a multi-level institutional order and are therefore the result of conflict and change. Transnational corporations reflect the commitments entered into by actors which have consequences for the distribution of power and socio-economic benefits in a societal context. The actors themselves are positioned in particular political arenas and play the game over time from that position. The internationalization of firms puts the established actor constellation in a given firm under pressure, increases the dynamics of political exchange and reorganizes power and the resources available. The automotive supplier industry, for instance, one of the most transnationalized sectors, illustrates the non-sequential and genuine political character of internationalization processes. In the 20th century firms were forced to build up overseas production sites in response not only to global sourcing criteria, but also to political pressures and import/export barriers. For an excellent case study on the political issues affecting the corporate trajectory of General Motors, see Freeland (1996).

At the meso level, we prefer the concept of industrial complex as introduced by Ruigrok and van Tulder (1995: 169; van Tulder 1999) in their analysis of the internationalization trajectories of firms. In a subsequent meso-political perspective we argue that the nature of a firm’s domestic bargaining arena is at the root of the internationalization strategy. Hence, the road to internationalization can only be understood as the direct extension of the bargaining relations within its domestic industrial complex. Ruigrok and van Tulder identify some hierarchical networks in which the core firms, conceived as spiders in an industrial web (ibid: 65) remain embedded in domestic bargaining arenas during the internationalization process. The concept of a core firm thus also includes a meso-level view of the shape of the networks and institutions that influence a company in its effort to control supply chains both at home and abroad. Each network (or industrial complex) contains six different types of actors with a particular stake in the core firm: workers and their representatives; suppliers, at different degrees of vertical integration; distributors; governments; financiers; and competitors (other core companies embedded in their respective industrial complexes) (see van Tulder, 1999: 55).

However, a meso-level view is not enough to make an in-depth analysis of the dynamics of intra-firm transformation caused by internationalization. Here, we adopt the micro-political approach as the instrument to analyse labour politics as an intra- and inter-firm game of actors, strategies and power relations in a structured field of
The term micro-politics was coined by Burns (1961) and has been further developed, under the influence of Crozier and Friedberg’s (1979) organization theory, by Günter Ortmann (1995), among other authors. According to this approach, firms are not rational or organized constructions that follow strictly economic criteria, but arenas of political bargaining processes and struggles that often take place at the micro level.

A firm complex may, in this sense, be defined as a historically formed and consolidated (i.e. trajectory bounded) set of relations between internal and external interest groups. A firm develops a specific field of action that depends on its activities, ownership structure, management practices, forms of conflict regulation and political relations to its stakeholders and shareholders. This field of action forms a corridor of not only possible, but also likely strategies in certain contexts. The formulation of strategy, then, is not the pursuit of individual interests, but the temporary outcome of existing interests and power relations among the actors of the firm (see Köhler, 2004, 2008).

The politics of labour relations has attempted to integrate a firm's meso- and micro-levels of analysis into a field of collective action, characterised by strategies and power relations, specificities of trajectories, accumulated experiences and the production of contingent results. This approach argues against such concepts as evolutionary best practice or universal solutions, which dominate the economic literature and business press. Instead, it insists on the existence of (at least) three different factors explaining the transformation and internationalization processes in firms: the idea of path dependency; the significance of the strategies and conflicts of interests of different actors; and the context of power relations in a pre-existing institutional setting.

The concept of path dependency as a basic determinant of the trajectory of firms brings history back into institutional analysis, as it considers the institutional context in which the firm is embedded as the temporary outcome of political conflict and change (see Morgan, 2005; Scott, 1995; Eckardt et alii, 1999). The path dependency approach also defines a programme for a dynamic theory of the firm, in which a variety of self-reinforcing feedback mechanisms make it difficult for organizations to explore alternative options or strategies that are inconsistent with or contradict the corporate tradition or heritage of the firm (Powell, 1991: 193). The domestic constellation of actors, bargaining configurations and cultural values are the starting point of a firm about to internationalize. On the road to internationalization, the path dependency can decrease, giving way to rival configurations and options, but it never disappears and may even become stronger again after a period of open rivalry through the consolidation of a specific internationalization path (van Tulder, 1999).

The political struggles and clashes of interests among different actors transform corporate strategies and industrial models into contingent results. The attainment of
efficiency goals or the success of a specific internationalization- or production-related
decision do not depend on objective economic criteria, but on the resources mobilised
by the actors to implement their strategy and reinforce it with the necessary pushing
forces against rival strategies supported by other actors (Ortmann, 1997). Therefore,
what may be efficient in one firm can produce the opposite effect in another (Boyer

The significance of institutional power relations forces us to take national indus-
trial relations regimes, local cultures, trade union tradition and influence, and other
ideological trends into account when analysing corporate decision making. All these
factors are in continuous interplay with the internationalization strategies of the firm,
with both sides, capital and labour, looking for mutual adjustments.

Although all these arguments should be borne in mind, two recent organizational
transformations in internationalized firms and their impact on industrial relations
should be analysed. The first is the formation of industrial complexes or inter-firm
networks as the result of profit seeking strategies such as concentration on core com-
petencies, outsourcing and development of supplier hierarchies and local production
networks (modular consortiums, supplier parks). The second is the formation of mi-
cro-political arenas or intra-firm networks by the formulation and implementation of
intrapreneurial concepts of organization such as project management, teamwork and
benchmarking.

The labour politics approach opens up new horizons for the analysis of compet-
ing strategies in the internationalization of firms. It takes into account the dynamism
of the power relations between local and transnational management, works councils,
unions, and local and national governments. Particular emphasis is put on changes in
work organization. Thus, internationalization can be perceived as a major process of
firm re-organization, in which management aims to take advantage of new economies
in the value chain through wage hierarchies, working conditions and induced intra-
firm competition between plants with a similar production profile.

3. Workers’ representation and the reorganization of
firms

After 30 years of debate on the end of class struggle and labour movement it seems
evident that labour is still alive. But it is also becoming more and more evident that
trade unions are facing serious challenges and have been unable to formulate adequate
responses. For several years now, there has been considerable debate on the impact
of globalization pressures on national industrial relations. One of the concerns is the
convergence and divergence of traditions, modes of management and regulatory insti-
tutions around the world. Another is the crisis of trade unionism and collective bargaining. In Europe, there is an ongoing debate on the formation of a European system of industrial relations, which is closely connected to the wider debate of the European Social Model.

The visionary work by Charles Levinson (1972) provides an interesting perspective on these issues, even though it was written more than three decades ago. The author, a high executive in an international trade union organization, grounds his analysis on a failed labour-side initiative to co-ordinate workers’ strategy at the transnational level: the World Works Councils. He links the negative consequences for workers of the re-organization measures taken by the firm (restructuring, relocations and mergers) to the fact that workers take no part in making decisions on corporate internationalization. Levinson argues that, although nowadays important decisions are being taken at the transnational level, workers do not have the means to make their voices heard or to have their interests represented at this level.

Following Levinson’s arguments, it seems clear that industrial relations in transnational corporations have to be approached in a different way. The interplay between employer and employees is no longer a simple bargaining between structures for workers’ representation and trade unions, on the one hand, and management representatives, on the other. Following our own theoretical arguments in the section above, a multi-level and multi-strategic power arena has emerged as a result of the internationalization of firms. Below, we shall address the main restructuring trends that affect industrial relations in transnational corporations from the view of labour politics.

The dominance of shareholder value

In the present international economy firms are under constant pressure to increase their value in stock markets. This means a fundamental reorientation of traditional management strategies, with financial managers replacing production engineers as corporate leaders. In this context, short-term financial value has taken the place of long-term production and market-share goals. Transnational corporations have become flexible conglomerates ruled by capital market norms, in which profit units are always ready to be valued and commercialized (see the interesting study on the food sector by Rossmann and Greenfield, 2006). Corporate governance follows volatile financial market criteria and financialization is, as Kädtler and Sperling (2001) argue, a political process in which strategic management is the main character, using requirements from the financial markets as a power resource in bargaining processes with other actors and decision-makers in the firm. For workers and their representatives, the orientation
of corporate strategies towards value creation for the stock markets means a threat to many consolidated achievements in the quality of employment and working conditions. Employees have to contribute to the competitiveness of the firm in this race for shareholder value despite having almost no influence on strategic decision-making (Froud et alii, 2000; Williams, 2000; Palley, 2008; case studies for TNCs in different sectors in Streeck and Höpner, 2003 and ILO 2006).

**The multinational effect**

It should not be forgotten that the production process of a major industrial firm spans the world’s highest wage differentials. Firms such as General Motors, Ford or IBM are producing components in Mexico in a wage ratio of 1 to 10 compared to the United States, and the same holds for Volkswagen and Opel in Germany with regard to Poland. Benchmarking and controlling units are not just management tools for determining best practices and comparing costs and performance, they are also political instruments for putting local actors (managers and workers) under continuous coercitive pressure.

The profit center principle (each unit has to perform better and better in order to increase the shareholder value of the firm) transforms the firm into a network of competing communities in a world of simulated markets. The management instruments to put workers under pressure are flexible and varied: organised intra-company competition on production shares and investments, outsourcing and de-localization, and even the manipulation of figures («creative accounting»). Employees and their representatives are forced to enter this competitive game as junior partners of local management and adversaries of other workers from different plants (see the case studies on the car industry in Freyssenet et alii, 2003 and Pries/Bosowski, 2006).

**The merger and acquisition effects**

Capital movements such as sales, acquisitions, mergers and alliances are a part of everyday life in transnational corporations. A lot of mergers and acquisitions have the immediate effect of slimming down the firm’s workforce and redundancy. In 2005, the consultor Mercer Human Resources published in a survey that only 24% of European companies involved the Human Resources Department in the strategic planning of merger/acquisition processes (El País, 15 August 2005). The participation rate of works councils in these operations is virtually non-existent. Edwards (1999) describes
a third effect of the internationalization of firms on industrial relations: the stronger presence of Anglo-Saxon management practices including shareholder value orientation and cost-minimization practices, quite hostile to employee representation. The more organised national arrangements in Continental Europe are giving up significant parts of their institutional basis and management practices. German firms, for instance, are prepared to leave their national business cultures and co-determination practices at home in the internationalization process. The increasing influence of private investment funds in the capital market reinforces these trends. In this respect, Ferner and Quintanilla (1998) speak of an Anglo-saxonization of German and French firms as a result of internationalization.

Increasing number of union free shop-floors

To a large extent globalization means that markets are emerging in newly industrialised areas without unions. These areas are major attractors of foreign direct investment, which creates greenfield production sites. Investing in these shop-floors has a double strategic aim. On the one hand, there is the struggle for market access to these fast growing economies. On the other, these new union-free and lean production-oriented facilities can be used as instruments for coercitive benchmarking with other units. Greenfield plants are often used as laboratories for the testing of new work organization practices. If they prove to be successful, they can easily be introduced in the brownfield sites. Therefore, greenfield plants become strategic tools in the bargaining arenas of the transnational corporations: they are used to put the local management and the workers and their representatives under continuous performance pressure (Köhler, 1999, 2000, 2002).

Wage and working condition hierarchies in the value added chain

In all major industries, production is outsourced and organised by the core firm in structured networks of suppliers and subcontractors. In the electronics or textile sectors, for example production is completely outsourced through contract manufacturing and located in low-cost countries (Borrus and Zysman, 1997; Lüthje and Sproll, 2002). In the car industry, production is organised in macro-regional networks, although the core firm tends to retain a significant part of final assembly in domestic

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2 These practices were particularly frequent in the car industry in the 1990s when firms used their new plants in the southbelt of the USA, Brazil and Central Europe as laboratories for the implementation of new lean production schemes.
sites (Eckardt et alii, 1999; Köhler, 1999, 2000; Freyssenet et alii, 2003). In the more science-based chemical industry, production is mostly inhouse (Becker, 2003). The general trend, however, seems to be that intra-firm relations will be replaced by commercial inter-firm contracts. Decision-making is becoming a bargaining process between core firms and first-tier suppliers without employee participation.

Corporate decision-making without labour

The reorganization and internationalization of firms provide management with flexible instruments for re-configuring corporate decision-making. Structures for worker representation do exist at shop-floor level, but the strategic and operative decisions are taken at transnational level, where employees are absent. In this context, even well-backed transnational structures that represent workers’ interests, such as the European works councils, can easily become mere communication instruments in the hands of corporate headquarters. So far there are very few examples of European works councils that have been influential actors in bargaining processes within the firm. And the few examples there have been tend to rely on the strength of national institutions for workers’ representation and not on a «genuine» European approach to the problem of representing workers’ interests in a transnational firm (see Kotthoff, 2006; several contributions in Whittall et alii, 2007). Beyond the EU level, there is also an emerging transnational political arena with potential for new forms of workers’ representation. Trade unions, non-governmental organizations (NGOs) and other social movements have been organizing campaigns and boycotts since the early 1980s which were behind numerous initiatives taken by leading international actors such as the International Labour Organization (Declaration of Principles Concerning Multinational Enterprises and Social Policy, 2006), the United Nations (Global Compact, 2000), the OECD (Principles of Corporate Governance, 2004) or the European Union (Multi-stakeholder Forum on Corporate Social Responsibility, 2004). The aim of these proposals is to establish common rules and worldwide minimum standards for corporate governance, including the prohibition of child work, the introduction of policies of non-discrimination, and respect for fundamental human and labour rights. The debate on Corporate Social Responsibility is often linked to demands of sustainable development, both conceived as the two pillars of a firm’s general responsibility. Some Corporate Social Responsibility charters, such as Arcelor’s, have been negotiated by European works councils, international union federations or other transnational labour representation organizations. Corporate Social Responsibility charters make room once again for trade unions and works councils at a transnational level, and give
them an opportunity to develop their political capabilities for collective action. The weak point of these agreements is, however, that they are voluntary and that they lack auditing and control mechanisms in developing countries.

**Eroding of national institutional frameworks for welfare and social protection**

After the so-called neo-liberal turn of the 1980s, governments have tended to follow deregulation, privatization and cutback policies, thus weakening protection mechanisms for workers and favouring atypical forms of employment. Besides the negative impacts of these policies on union strength, some governments have enacted union-busting laws, such as the «right-to-work» Acts in the USA or the reforms of the Thatcher era in the United Kingdom.

On the other hand, firms use worldwide inter-regional competition on subsidies and incentives to attract investment. Local governments have become embedded in the political complex of the firm, with the corporate management imposing its rules and demands. The Fordist welfare regimes have been replaced by «workfare» regimes, with national and regional public authorities competing for investments at any price. In Europe, the recent enlargements of 2004 and 2007 have put the European Social Model under considerable pressure. The tradition of social welfare, on which it is founded, is being challenged by the new low-cost and social dumping practices of the new Eastern member states. Furthermore, the European trade union movement faces this greater heterogeneity and risk to the maintenance of social provisions in a context of growing internal complexity and decreasing union density.

**Concession bargaining at the shop-floor level**

Under these conditions, concession bargaining has become the norm. It is no longer the exceptional solution for a situation of acute crisis, as it used to be. Collective bargaining has become ‘employment safeguard’ or ‘localization safeguard’ agreements, and the term ‘competitivity pact’ is becoming more and more fashionable. Whatever the exact label for these types of agreements is, they all share a similar approach and some common features: (1) no announcement of involuntary redundancies is made for operational reasons for a specific length of time; (2) cutbacks and changes are made toin the remuneration system of workers, generally introducing performance-based and flexible arrangements for wage determination; (3) cuts in breaks and make-up time in
cuts; (4) extension of regular working time (for example, 24 hour-shift-systems, weekends are included in regular working time, etc.); (5) flexibilization of working time by adapting working hours to production demands and disconnection individual working time from plant utilization hours; (6) an overall commitment to cost cutting affecting both management and workers, with the explicit aim of increasing performance and reducing absenteeism.

The price of the management’s commitment to contain layoffs is quite high and does not mean no job losses. The staff is redimensioned through early retirements, voluntary drop outs, not contracting new workers and other practices. Furthermore, the unions and workers’ representatives who sign these agreements commit to controlling performance and cutting costs, thus becoming mere ‘puppets’ of the management from the perspective of the workers. As Kumar (1995: 40) has pointed out «these are hard times for workers and their unions». Whatever labour’s response, management’s new restructuring strategy has the potential to seriously harm the unions. If they resist change, unions will stand accused of being a corporatist interest group, defending the privileges of their members. If they condone it, they will be seen as protecting their organization at the expense of their members. If they oppose attempts to increase flexibility and efficiency, they will be termed ‘dinosaurs’, unable to understand the competitive exigencies of world markets. But if they cooperate, they make themselves and their members hostages of the management’s competitive agenda (Köhler, 2008). Whether they oppose or support changes in the workplace, unions are facing incalculable risks.

4. Challenges for interest representation TNCs

In the Fordist paradigm the firm was embedded in a sort of institutional system of national rules, which shaped the behaviour of the firm even in international arenas. Internationalization, however, eroded the ties between firms and national institutions and led to the formation of complex transnational corporations. Despite the variety of internationalization solutions, there are common patterns in the global restructuring of management practices and their impact on industrial relations.

One trend is that the distance between the actors in the firm complex and the firm itself is growing. Such main players as shareholders and corporate managers develop their strategies following independent paths, and have only superficial and short-term relations with the firm. On the other hand, employees, local communities, second- and third-tier suppliers and dealers remain in a dependent position. Another trend is that the decision-making centre in a firm complex is moving down the value added chain, leaving the bulk of the production process (except R&D) to low-power players and
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concentrating on after-sale and service business. A third trend is the intensification of power struggles in the firm complex along overlapping conflict lines, which force actors to rethink their strategies.

In this context, the main challenges that face workers' representation at the transnational level can be summed up as follows:

(1) At the micro level (shop-floor), trade unions and works councils have to find more flexible forms for bargaining, in accordance with the real decision-making processes. Here, trade unions could carry out new tasks of supporting shop stewards and collective bodies for representation by providing consulting services.

(2) At the meso level, trade unions have to adapt to the new productive reality of firms, and organise networks of transversal interest representation along the value added chain. This implies new links with other stakeholders, such as employees from supplier firms, local communities, and regional and national governments.

(3) At the macro level (transnational), it is more and more necessary to create communication and coordination structures for labour in order to recover bargaining power and actual political influence over corporate decision-making. European works councils and other forms of transnational representation could be a solution, if they are appropriately transformed by unions and workers' representatives into strategic instruments. In any case, this road for the representation of workers' interests at the transnational level has still to be explored in depth.

5. Conclusions

The concept of TNCs as micro- and mesopolitical arenas and power constellations has proved to be extremely useful for overcoming the rigidities of static economic-rational views of the firm. It has provided a dynamic theoretical framework in which to analyse the internationalisation trajectories of firms and their industrial relations at different organizational levels. The restructuring trends inherent in the internationalisation processes of firms and their respective corporate strategies make significant changes to the micro and mesopolitical power relations, favouring capital and harming labour. Workers and unions are facing tough new challenges of interest representation in transnational arenas and complex decision making processes which require innovative reorganizational initiatives.
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