



Workforces and local communities against corporate restructuring: a comparative case study of resistance to plant closures in Northern Spain

Sergio González Begega & Holm-Detlev Köhler

To cite this article: Sergio González Begega & Holm-Detlev Köhler (2021): Workforces and local communities against corporate restructuring: a comparative case study of resistance to plant closures in Northern Spain, *Social Movement Studies*

To link to this article: <https://doi.org/10.1080/14742837.2021.1884975>



Published online: 03 Feb 2021.



Submit your article to this journal [↗](#)



View related articles [↗](#)



View Crossmark data [↗](#)



Workforces and local communities against corporate restructuring: a comparative case study of resistance to plant closures in Northern Spain

Sergio González Begega and Holm-Detlev Köhler

Department of Sociology, University of Oviedo, Oviedo, Spain

ABSTRACT

The article examines the formation of local networks of resistance to production relocation plans. We present evidence from three case studies characterized by strong local defiance to plant closure plans in three American-owned transnational companies with four production sites in Northern Spain. The article explores the repertoire of protest and support mobilization leading the workforces to forge local alliances with trade unions, public authorities and other local community organizations and collectives. We focus on labour conflicts that transcend company boundaries through mobilizing urban communities. The methodology used is qualitative. Our analysis is grounded on a theoretically informed comparative case study based on the literature on power relations and micro-political struggles in transnational companies. We also make use of conceptual insights from the labour geography perspective. The article delves into the contra-hegemonic potential of labour-community alliances. Our findings substantiate the role of micro-politics in transnational companies and reveal opportunities and constraints for effective local responses to corporate restructuring.

ARTICLE HISTORY

Received 3 December 2019

Accepted 21 January 2021

KEYWORDS

Transnational companies; production relocation; employee relations; labour protest; public mobilization

Introduction

The study of the local embeddedness of transnational companies (TNCs) is a worthwhile line of research when examining the growing detachment between labour and capital in the globalizing economy. The pace of corporate restructuring is reshaping the geographical landscape of the global economy, making it more volatile and putting local communities under pressure. Working conditions are increasingly determined by the ability of companies to decide where to locate (Buckley & Ghauri, 2004). The spatial fix of capital and labour has become contradictory, with capital emancipating from institutional boundaries and labour defending the local embeddedness of economic processes, work and living conditions (Harvey, 2001, pp. 23–24)

The article examines the formation of local networks of resistance to plant closure plans, the most negative form of corporate restructuring for territories. Workforces, local communities and public authorities engage in these ad hoc alliances in an attempt to

mitigate the impact of production relocation decisions. Such cases of reactive mobilization are the subject of interest, as they redraw the social boundaries of corporate decision-making, amplifying the significance of broader terrains of political conflict within TNCs (Contu et al., 2013; Erkama & Vaara, 2010). They also reveal opportunities and constraints for effective local responses to corporate restructuring in the absence of well-established institutions allowing labour to match the globalized strategies of capital (Della Porta, 2015). A large part of the literature on conflicts between TNCs and local communities is centred on ethnic or farmer groups fighting against TNC resource extracting activities in Africa and Latin America, as in Calvano (2008). We focus instead on labour conflicts which transcend company boundaries through mobilizing urban communities.

Mainstream international business and neo-institutionalist studies on TNCs have for the most part neglected the contested nature of corporate decision-making and ‘the dynamic role of agency and micro-politics’ (Geppert & Dörrenbächer, 2014, p. 227; Kostova et al., 2008). Newly emerging critical approaches are attempting to shed light on how corporate restructuring decisions are taken, implemented and in some cases contested. These studies aim at capturing the processual nature of the micro-political struggles over existing power resources such as production shares, investment and divestment or employment, i.e. issues often challenging established power relations structures and patterns of domination within TNCs (Edwards & Bélanger, 2009; Morgan & Kristensen, 2006; Roberts & Dörrenbächer, 2016). Our article draws on this latter line of research. We also make use of conceptual insights from the labour geography perspective to analyse the social formation of local networks of resistance to corporate restructuring (Harvey, 2001; Herod, 2001, 2012).

The article presents empirical evidence from three case studies of strong local resistance to the plant closure plans of three American-owned TNCs, affecting four production sites in Spain: Tenneco-Gijón (case study CS1); Coca-Cola Fuenlabrada (CS2); and Alcoa-Avilés and La Coruña (CS3). The case selection is based on a logic of theory-building rather than validation. All three involve exceptional successful local alliance formation against TNCs. The factories were announced to be closed in late 2013, 2014 and 2018, respectively. In all cases, the workforces initiated collective action. They followed a repertoire of protest and support mobilization leading them to forge local alliances with other non-labour organizations and collectives, including government agencies and political representatives, civil society groups and media professionals. Mobilizations took place in the physical location of the workplaces but also in neighbouring urban areas, thus connecting employees and their families to other local collectives. The workforces also made intensive use of new technologies and communication tools to gather further support for collective action, thus blurring the line between the production sites and the city and more generally between work and private life spheres (Greenberg & Lewis, 2017).

The structure of the article is as follows. Following the introduction, Section 2 discusses the conceptual framework, looking at two theoretical perspectives on the study of global-local struggles in TNCs: the micro-politics approach to corporate restructuring; and the labour geography approach. Section 3 describes the research methods and the fieldwork. Sections 4 and 5 present the empirical evidence and compare the case studies at hand. The final section discusses the institutional and collective action

problems confronting local workforces when opting to resist production relocation and other compelling social practices within TNCs.

The TNC as a contested terrain: micro-politics and the critical labour geography perspective

The internal complexity of corporate decision-making creates important theoretical challenges in Organization Studies (OS) and Employment Relations (ER) research. Mainstream approaches in international business literature reduce corporate decision-making to rational problem-solving and the development of superior capabilities in international value chains. Drawing on a more multi-centric interpretation of the sources of organizational power, neo-institutionalist research emphasizes both corporate adaptability to societal norms and organizational learning in TNCs operating simultaneously in multiple locations (Birkinshaw, 1996; Edwards et al., 2013). Although for different reasons, both perspectives fall short of examining the dynamics of organizational change in cases of local resistance to global restructuring (Dörrenbächer & Geppert, 2006, p. 252–254; Roberts & Dörrenbächer, 2016, pp. 3–4).

More recent trends in OS and ER research stress the micro-political character of corporate decision-making against deterministic viewpoints, thus emphasizing that ‘TNCs have a very different institutional story that fits better the conditions of equivocality, ambiguity and complexity’ (Kostova et al., 2008, p. 997) than rational economic optimization or mere isomorphic adaptation to societal pressures. Recent socio-political research has introduced ideas about the TNC as a ‘transnational social space’ (Morgan & Kristensen, 2006, p. 1467) and a ‘contested terrain’ (Edwards & Bélanger, 2009, p. 193) among different but often overlapping interests and social players. In this perspective, TNCs are constrained by institutional environments, while at the same time interpreting such constraints through a process of negotiated social adjustment and organizational change. TNCs are best conceived as distinct social spaces creating new forms of hybrid institutional building where varied societal and organizational trajectories are encapsulated (Boussebaa et al., 2012).

This view of the TNC as a contingent social order draws on the pioneering concept of heterarchy (Hedlund, 1986). Instead of conventional top-down hierarchies within TNCs, this concept refers to a federation of social players involved in an interplay of negotiations and power relations. In the same vein, other authors refer to TNCs as ‘multi-level social fields’ (Drahokoupil, 2014, p. 209), thereby emphasizing the dynamism of social relations at multiple interlinked levels involved in corporate decision-making. TNCs can be conceived as highly elaborated social networks in which strategizing stakeholders inside and outside the corporate perimeter interact with each other to create temporary balances of power. Within this power relations interplay, decision-making rules and procedures are shaped in practice. Institutions enter into these processes ‘firstly as co-constitutors of the set of actors and groupings and their mutual roles and identities; secondly, as forms of restriction on the choices actors make; thirdly, as resources that empower actors; and finally, as rule-givers for the games that emerge’ (Morgan & Kristensen, 2006, p. 1473).

This power relations perspective brings conflict back into the analysis of corporate decision-making and collective action (Crozier & Friedberg, 1980). It recognises the

existence of multiple legitimate interests acting in the social network of the TNC with different power capacities in relation to the institutional context in which they are embedded: shareholders, corporate management at different levels and employees, but also public authorities, consultants, suppliers and contractors, the media and other local community groups and collectives. Corporate decision-making is not an individual form of interest pursuit by the TNC; corporate decisions instead reflect the power balance between the various social players represented in countless micro-political conflicts, e.g. over investment or divestment decisions, production transfers between sites or plant closure threats (Becker-Ritterspach & Dörrenbächer, 2011).

The literature shows a growing number of empirical studies elaborated under this theoretical lens. These include case studies on corporate whipsawing (Greer & Hauptmeier, 2008), workplace employee relations and human resource management practice (Geppert et al., 2015), and local resistance to plant closures (Contu et al., 2013; Erkama & Vaara, 2010). The aim of this research is to capture the player-centric nature of the micro-political disputes that arise over these issues and which often challenge established power relations structures and patterns of domination within TNCs.

The in-depth study of labour conflicts over plant closures provides an almost optimal laboratory environment to examine how the elaboration of corporate strategies incorporates new stakeholders in the multi-level social field of TNCs. Local workforces are in need of community support to re-balance asymmetric power relations with corporate management. Community building is at the center of this attempt to build up new channels of influence over corporate decision-making. It also amplifies the importance of broader terrains of micro-political conflict between TNC corporate management on the one side, and employees, public authorities, trade unions and other civil society collectives, on the other (Caruso & Cini, 2020; Lévesque & Murray, 2002).

The effectiveness of some of these alliances against plant closures supports claims of the importance of well-articulated local resistance campaigns challenging corporate decisions, debunking the prevailing discourse that only genuine transnational institutions and rules are able to counteract TNCs' ability to exploit cross-country differences and restructure their activities worldwide. Trade unions, ER scholars and social movement activists alike tend to greatly emphasize the building of genuine transnational institutions and rules countervailing the coercive power of TNCs and re-embedding corporate decision-making (Marginson, 2016). Although local community strategies do not prevent wage-based competition and coercive benchmarking, they can help to reshape power relations within TNCs and to develop new power resources for employees and other locally embedded interests (Holgate, 2015).

Put differently, local collective action can also help modify contemporary capitalist geographies and 'definitely serve as a powerful scale of activity in the face of larger-scale forces and processes' (Herod, 2001, p. 12). The notion of spatial fix, as developed in critical labour geography (Harvey, 2001), becomes relevant in explaining how workforces, employee representatives and trade unions also have the capacity to actively shape capitalist landscapes in their interest and to grapple with global capital, as represented by TNCs, on the contents and structures of local spaces. This approach contrasts with traditional economic geography theories, which analyse production territories and districts as profit-functional spaces of infrastructures, housing, commercial and other service-oriented areas, supplier networks and industrial sites to which labour has to

adapt and integrate. The spatial fix of TNCs is the result of a negotiated social order. The geography of global capitalism is thus a contested terrain of struggles over different spatial fixes (Herod, 2012). Local workforces are spatially embedded by family ties, residence and social relations that transcend work and employment and go beyond material matters. This enables them to (re)significate geographic places and locations (Castree, 2010). Labour develops specific forms of appropriation of workplaces and urban areas, assigning them new meanings and identities in accordance with their own visions of spatial organization.

The formation of local networks of resistance to production relocation and plant closure plans is often accompanied by a (re)signification of the territories of production, work and life (Rainnie et al., 2010). When labour engages in new associational linkages with public authorities and local community groups, this new spatial dimension of the micro-political conflict with the TNC also emerges. This is manifested through symbolic collective action on the use of the workplace, the ownership of machinery and disposal of stock, demonstrations and peaceful protests and the occupation of surrounding and/or emblematic urban areas and buildings, all of which blur the dividing line between the plant and the city and thus between the workforce and the local community supporting it.

Research methodology

The article uses a multiple case study design, a methodology widely used in the OS and ER literature. It allows research techniques to be adjusted and sources of information to be combined when simultaneously targeting explorative and explanatory objectives. Case studies are suited to analysing micro-political game-playing in corporate decision-making. The ambiguity and uncertainty of power relations in TNCs require in-depth comparative research to explore the 'different actors' position-related affectedness, the rules, resources and relations they draw on, [which] cannot be determined until after there has been a deep insight into a case' (Becker-Ritterspach, 2006, p. 375). The explanatory value of case studies is based on a logic of discovery and narration rather than validation. In such exploratory form the richness of empirical data is exploited: 'the actual agents and their actions can be illustrated and the form of their alliances and alignment are shown in its practical emergence' (Contu et al., 2013, p. 370). This research layout is particularly useful for unpicking the complexity of power relations and politics on corporate restructuring in TNCs through concept illustration and operationalization, as is our purpose.

The data derives from a variety of sources, including desk analysis, semi-structured interviews and non-participant observation. The fieldwork covers the period from October 2013 to March 2016 for Tenneco-Gijón (CS1); January 2014 to March 2019 for Coca-Cola Fuenlabrada (CS2); and November 2014 to July 2019 for Alcoa-Avilés and La Coruña (CS3), respectively. A total of 42 face-to-face interviews including 8 group interviews with employees, works councillors, trade unionists and political and administrative public officials were conducted, recorded and transcribed, each lasting approximately 1:30 hours. The breakdown of fully completed, recorded and transcribed interviews by case study is as follows: CS1 = 18 face-to-face plus 5 group interviews; CS2 = 10 plus 1; CS3 = 14 plus 2.

Interviews were conducted with works councillors, some of whom were also trade union officials at branch and regional level. Unionised and non-unionised employees were interviewed either individually or as a group. The number of face-to-face interviews with employees who allowed their names and quotations to be used was 28. All 8 group interviews were carried out with employees.

Interviews were also conducted with trade union officials from the main Spanish union confederations (CCOO, UGT and USO), as well as with public officials at local, national and European level. The number of face-to-face interviews with non-employees who allowed their names and quotations to be used was 14. A number of additional semi-structured interviews were conducted with public officials, journalists and media freelancers and corporate managers but were not documented due to confidentiality requirements. All interview quotations in the text are translated from Spanish.

The data is also based on an exhaustive exploration of secondary sources, including company documents and press releases. The authors were also non-participant observers in several works council meetings, workers' assemblies and demonstrations. The use of a varied collection of data sources allowed the qualitative evidence to be triangulated in each case study, including facts and causal claims.

Resistance to plant closures: labour mobilization and community building in three case studies

This section presents the empirical evidence. The focus is on the formation of local networks of resistance to production relocations. We explore the collective action initiatives taken by the workforces at CS1, CS2 and CS3 to gain the support of public authorities and local communities in their attempt to reverse corporate decisions on closing down production sites. We thus refer to reactive mobilization by locally embedded interests against corporate restructuring and to the spatial dimension of employee-management conflicts within TNCs. The cases took place against a similar legal and socio-political background, in the aftermath of the economic crisis in Spain. The 2012 Labour Reform simplified the procedural rules for collective dismissals and withdrew the requirement of administrative authorisation, thus making it easier for companies to scale down their workforces.¹ Anti-austerity protests also happened in a climate of strong disaffection with parties, institutions and other public organizations, such as trade unions (Flesher Fominaya, 2015; Köhler & Calleja, 2015).

CS1. Tenneco-Gijón

Tenneco Inc. is an American-owned TNC with a leading position in the automotive sector. In 1989, it acquired several production sites in Europe, including a brownfield plant in Gijón, to consolidate its position as one of the main automotive component suppliers in Europe. The Gijón plant was later re-specialized in shock absorber manufacturing. Supported by public R&D programmes, it received technological investment subsidies and production was expanded. By 2008, the workforce had grown to more than 250. The production site experienced difficulties in the period 2008–12, with measures like working time reductions, wage freezes and the non-replacement of temporary workers being applied. By early 2013 however, Tenneco-Gijón was again operating at

almost full capacity. A newly installed local management team started to follow an aggressive strategy of building up stocks in response to growing demand from carmakers.

The decision to shut down the plant came as a surprise to the employees. It was communicated by the local management team to the 221-man workforce on 5 September 2013. The reasons given for relocating production were the plant's reduced profitability and impaired competitiveness. This was in contradiction to the recent recognition received by Tenneco-Gijón for product quality and technological know-how. The plant had never reported losses on operating activities, as was later confirmed by external auditors. Although not communicated to the workforce, the closure of Tenneco-Gijón was part of an overall plan to restructure Tenneco's European shock absorber division, entailing the relocation of labour-intensive manufacturing facilities to Eastern Europe with a view to lowering labour costs and reducing tax burdens. A further plant in Belgium was affected, though this was to be downsized. The management's intention was to move the assembly line robots from Tenneco-Gijón to two greenfield production sites in Gliwice (Poland) and Togliatti (Russia) and to use existing stocks to supply the market until the start-up of the new plants.

According to management, our plant was an example for all European sites. All of a sudden, they decide to expand our manufacturing capacity and we produce a large amount of products which are stock-piled (. . .). Everything was really weird (. . .). Two weeks before the closure announcement, we [the works council] held a meeting with local management. They told us that we were over-suspicious (. . .). Yet, just a few days later, the plant's closure was announced. Interview quotation. Tenneco-Gijón works council member, October 20, 2013.

The workforce reacted by blocking off nearby roads and collectively deciding to occupy the factory. For the next ten months, they took control of production lines, premises, stocks and machinery. They didn't go on strike because Spanish regulations stipulate a compulsory one-month period of negotiations between management and workforce representatives before any collective dismissal takes effect (this can be extended under specific circumstances).²

The employees repeatedly insisted in the local media that the decision to shut down the plant was not based on economic reasons and that they would not recognize it. They argued that the TNC had received public R&D subsidies amounting to over 4 million euros over a period of three decades. The workforce also stated that the plant's assembly equipment and technology had been developed by Tenneco-Gijón employees and thus could not be moved to other production sites without judicial authorization.

If a company is making losses, it is reasonable to reduce employment or to shut down a plant (. . .). But when you talk about the day-to-day functioning of a plant like ours, which has been surviving with very low investment and yet performing well (. . .), this is simply not acceptable. Interview quotation. Tenneco-Gijón employee, December 2, 2013.

In the days following the closure announcement, the workforce received support from local public authorities. The works council rejected external trade union intervention, thereby maintaining control of mobilizations. The employees were successful at combining multiple strategies of resistance both at institutional and local community level. They sued the company, invoking procedural defects in the collective redundancy protocol. They made successful use of the European works council to obtain a report by an external

consultant which questioned the closure of the production site on economic grounds and proposed a viability plan. They also gained support from the local community. A massive demonstration took place in Gijón on 17 October 2013. The workforce kept violence at bay and performed an array of symbolic protest actions in the plant and the city. All of them were self-organized. Social media activism was decisive in broadening collective action and positively influencing local and European political levels.

Starting in November 2013, the workforce achieved several court rulings against the closure. In March 2014, the TNC was forced to reinstate the dismissed employees. Behind this effective use of legal resources was a local member of the European Parliament who became personally involved in the case and whose contacts proved to be exceedingly effective in presenting the case to the European Commission (EC). A workforce delegation was received in Brussels by the EC Vice-President and DG ENTR Commissioner on 19 December 2013, who took a personal interest in the process. After a meeting with Tenneco's European corporate management, the EC issued a press release criticizing the plant closure.³ It subsequently entered into negotiations with the president of Tenneco in Illinois (US).

The EC first gets in touch with the European managers and then with the Board of Directors in the U.S (...). As the process went on and the workforce obtained legal victories, the president of the company realized that something was going wrong (...). I think that he felt misinformed by European management (...). By this time, they were sick and tired of Tenneco-Gijon (...) but the closure had become too complicated. Interview quotation. EU official, September 10, 2014.

On 15 April 2014, the TNC announced that the plant would be re-opened for a transitional period of 2 years, albeit at a reduced size. An agreement was reached establishing early retirement and voluntary redundancy schemes for older workers and thereby avoiding redundancies. In March 2016, Tenneco-Gijón was sold to the German investment fund Quantum Capital Partners AG via its subsidiary Vauste Spain. The plant re-started production with 117 employees in late July 2014. The new owner has developed a five-year production plan shifting specialization from shock absorbers to injection-moulded parts for the automotive and aeronautics industries.⁴

CS2. Coca-Cola Fuenlabrada

The Coca-Cola Company is the world's leading soft-drinks producer. Following the launch of Coca-Cola in Europe after World War I, the company organized its production via local franchising companies. Located near Madrid, the Coca-Cola Fuenlabrada bottling plant was opened in 1954. In 2008, Coca-Cola Co. initiated the restructuring of its European operations. In March 2013, eight local franchising companies with 11 production sites in Portugal, Spain and Andorra were merged into Coca-Cola Iberian Partners SA.⁵

The decision to merge operations was accompanied by the announcement to close down four bottling plants in Spain, with the collective dismissal of around 800 employees. The 236-man workforce of Coca-Cola Fuenlabrada was shocked. Refusing to enter into negotiations on ceasing production, they came out on strike. Unable to occupy the plant, employees erected a protest camp outside the entrance, the so-called 'Camp of

Dignity' which remained in place for 21 months. Picket lines were established to prevent the scrapping of machinery. The workforce also took the Spanish TNC subsidiary to court and launched a Coke boycott campaign in social media under the slogan: 'If Madrid stops producing Coke, then Madrid will stop drinking it.'

The social media were our way of organizing alternative information channels and telling our story to the public. Without them, we would have been completely invisible. Interview quotation. Coca-Cola Fuenlabrada works council member, April 10, 2015.

The case caught the attention of the mass media and the campaign was about to go national when interest suddenly waned due to the TNC's threat to withdraw their ads from the press and TV. The conflict did not gain any meaningful support from public authorities. The only public organizations unconditionally committed to the case were trade unions. They backed the workforce through legal representation in court. However, protest strategies and coordination remained in the hands of the local works council and employees' assembly.

For 15 months I have been standing guard in the cold and wet in front of my husband's factory so that they could not dismantle it, yet not one, whether politician, television or press reporter, has deigned to drop by (...). They have completely forgotten us. Interview quotation. Coca-Cola Fuenlabrada family member, April 20, 2015.

The workforce had to rely on their ability to self-organize and obtain a platform to speak publicly to the larger community. Employees' wives and other family members established a community support group of around 500 people, called the Spartans and closely collaborating with other NGOs and social collectives in South Madrid. For almost 2 years, they carried out a wide range of peaceful collective actions, including demonstrations, leisure activities and information sessions in schools, libraries and other public spaces. The official workforce Twitter account @cocacolaenlucha, which was created in January 2014 and grew to 17.900 followers,⁶ was the tool that helped workers to organize effectively and to coordinate actions with other local collectives, turning the labour and social groups backing the protest into a sort of extended family.

Without our wives (...) and without the people in Fuenlabrada, this wouldn't have taken off. It would have been impossible to sustain the conflict for almost two years without this extended new family (...). We all live in South Madrid, we are co-workers but also friends and we know many people here (...). Our wives, families and neighbours gave us the energy we needed. Interview quotation. Coca-Cola Fuenlabrada employee, April 20, 2015.

The workforce scored a victory in court in June 2014. A judgement handed down by the Spanish Supreme Court annulled the collective dismissal on grounds of several formal aspects being breached. The TNC reacted by appealing against the court order, while at the same time sending in a squad to remove the machinery and dismantle the factory, thereby establishing facts on the ground. The employees attempted to prevent the dismantling by force but were held off by the police. Almost a year later, the Spanish Supreme Court handed down a further ruling stating that the TNC had not respected the right of the workforce to strike and ordered the reinstatement of the employees. The workforce went back to work in September 2015, abandoning the Camp of Dignity. However, they returned to a bottling plant without machinery, labs and assembly lines. The TNC had since transformed the factory into a warehouse and logistics centre. The

workers were reassigned to routine and meaningless manual jobs such as putting empty bottles into boxes. Many employees were not even assigned tasks and had to spend their working time doing nothing. The trade unions denounced this situation as workplace bullying and went to court again. In January 2017, the Coca-Cola Fuenlabrada conflict took on an international dimension. Holding a peaceful rally outside the Supreme Court in downtown Madrid, the workforce received the solidarity of a representation of Coca-Cola European Partners Ltd. employees from Germany, France, Belgium and the Netherlands. The secretariat of the international food union federation, IUF, also joined the protest.

A new court ruling found that the transformation of the bottling plant into a logistics center was legal and that there was no evidence of working conditions being irregular. This situation lasted for almost two more years. The employees continued to put pressure on the TNC with the support of their families and the local community. In November 2018, the management and the local works council announced agreement on a new industrial project guaranteeing employment for the Coca-Cola Fuenlabrada workforce. An early retirement scheme was established for employees older than 58.

We've managed to reverse the plan that Coca-Cola unilaterally put into effect after they were forced to reinstate us (. . .). This factory in which we have been forced to live and work since 2015 was a ghetto of workplace bullying (. . .). But it has finally ended. It is a triumph and an example that workers in other companies can copy. Interview quotation. Coca-Cola Fuenlabrada works council member, December 14, 2018.

CS3. Alcoa-Avilés and La Coruña

Alcoa Co. is one of the largest producers of aluminium worldwide. The American TNC acquired the Spanish state-owned INESPAL in 1998, in the context of a broader industrial privatization drive. The new owner reduced the number of production plants in Spain from nine to three. The extraction of aluminium through electrolytic reduction, a high-energy process, was performed in the smelting furnaces in Avilés and La Coruña. The third factory, located in San Ciprián-Lugo, had a licence to produce aluminum oxide, the raw material from which aluminum is produced. This was a competitive advantage against the other two sites.

Starting in the late 2000s, Alcoa implemented a divestment strategy in Western Europe, North America and Australia, in a quest to cut energy costs and evade restrictions on CO₂ emissions. This put the two plants in Avilés and La Coruña under strong cost pressure and the threat of their production being relocated. In November 2014, the TNC announced the closure of both factories on grounds of lower technological efficiency, lower production capacity and higher energy costs. However, a successful combination of labour mobilization and direct intervention by the Spanish government and its offer of temporary cheap energy packages motivated Alcoa to withdraw its decision to close down the two factories.

The structural problems of production cost efficiency and capacity utilization remained unsolved, with the TNC continuing its restructuring agenda. Since 2015, Alcoa-Avilés and La Coruña have been operating at 65–70% of their installed capacity. The TNC has also started supplying the Spanish aluminium market from Saudi Arabia,

where Alcoa runs a joint venture with the state-owned mining company Ma'aden, and Angola. During a visit to the Alcoa plants in Northern Spain in June 2018, the Alcoa CEO declared publicly that this situation would not change as long as the problem with energy prices in Spain remained unresolved. He also stated that the immediate future was not at stake.⁷

Four months later, on 17 October 2018, Alcoa announced the closure of its Avilés and La Coruña production plants with their respective workforces of 414 and 398. The decision came as no surprise to the employees concerned.

We cannot say that this came unexpectedly. I have been in contact with trade unions, with the workforce, with local management, with the European Works Council and there was this general rumour circulating that this would explode any day, any month, any year. And it has finally exploded. Interview quotation. Alcoa-Avilés works council member. November 13, 2018.

The workforces initiated non-violent protests in an attempt to catch the attention of the media, local communities and public authorities. Collective action included demonstrations, marches and legal campaigning. It was organized separately by the employees of the two production sites in close collaboration with trade unions at local and regional level. Although some tension arose between the two workforces with regard to the use of more aggressive direct-action tactics, such as blocking roads with burning tyres and sit-ins, workplace sit-ins and work stoppages, the conflict was channeled into an institutionalized form. The employees did not go on strike, instead forcing the TNC to enter into formal negotiations. The workforces gained attention from the media both at local and national levels. They also launched a solidarity campaign on social networks, with the Twitter accounts @alcoanosecierra and @TraballadoAlcoa growing to 2,200 and 1,800 followers respectively.⁸

Local public authorities got involved in the case and secured the participation of central government officials in the search for a negotiated solution between the workforces and management. They also supported the organization of massive demonstrations on the main squares of Avilés and La Coruña, in collaboration with the trade unions and other civil society groups. On 20 October 2018, workers in La Coruña downed tools. The number of protesters was about 6,000. On 8 November, an estimated 50,000 demonstrators in Avilés, a city with 80,000 inhabitants, called for production to be continued.

It is true that we did not initially fully agree on how to conduct protest rallies. [At Alcoa-La Coruña] they wanted to be more combative as they did not trust the TNC. But neither did we. Alcoa has abandoned us after years of squeezing the factories with no effort to upgrade industrial capacity (...). We believed that radical protest tactics were against our interests. We have to gain the understanding and support of politicians and the media. You will not gain this these days by rioting and burning tyres. Interview quotation. Trade union official. November 16, 2018.

The workforces initiated legal proceedings against the TNC for non-compliance with the information and consultation rights of the Alcoa European works council. The case was however dismissed by the court in Rotterdam in late November 2018.⁹ At the local level, the mediation of the Spanish Ministry of Industry resulted in the extension of the collective dismissal procedure. The global trade union federation IndustriALL

solidarized with the protesters, claiming that the decision to close the plants ‘[was] completely unacceptable’ and that using the excuse of inefficient technology as a reason to now shut down Alcoa-Avilés and La Coruña ‘absolutely beggared belief’.¹⁰

On 16 January 2019, the negotiating parties reached an agreement. The TNC accepted a transitional six-month period to find a new industrial investor. The Spanish central government undertook to collaborate in the search for potential bidders for the factories. The employees accepted that, should no investor be found by the deadline, the collective dismissals would take place. In July 2019, the production sites were sold to the Swiss investment fund Parter Capital Group AG via its subsidiary Alu Ibérica SL. The bidding company agreed to maintain the workforce and current infrastructures for a 2-year period. The re-opening of smelting furnaces remains conditional on a 20% reduction in energy prices.

We knew that Alcoa would not continue. Irrespective of whether it managed to close us. So we had only one option. To look for an alternative investor. We thus needed to gain time. That is precisely what we accomplished after having put pressure on the company in every conceivable way, including a 500-km march to Madrid by the workforces and their families. Interview quotation. Alcoa-La Coruña works council member. July 5, 2019.

Comparative discussion

The case studies presented above illustrate ways in which small and medium-size local workforces are effectively capable of giving employee interest a stake in corporate decision-making, resisting production relocation plans and reversing decisions to close down factories. This was accomplished through a range of collective action tactics, including community-organizing strategies, awareness-raising campaigns and gaining the support of political institutions, public authorities and media groups. A comparison of the cases allows to identify enabling factors for local resistance against plant closures but also key differences motivating distinct protest approaches and outcomes. We refer to the exploration of non-violent community organizing tactics by the workforces (Holgate, 2015; Lévesque & Murray, 2002); to the resort to self-organization successfully combined or not with an attempt to gain further support by public authorities and trade unions (Greer & Hauptmeier, 2016); to the use of courts and other institutional resources for contesting the rationality of plant closures (Köhler & González Begega, 2018); and to the duration of the conflict and the symbolic (re)signification of the factories and their surrounding urban areas with the aid of local communities (Castree, 2010; Rainnie et al., 2010).

A shared and notable feature of these mobilization experiences and their organizational form is their explicit choice of non-violent protests, thus avoiding more radical expressions of labour activism. In all three cases, mobilizations took place with the authorization of local public authorities, if not under their direct auspices and coordination, as happened with the call for demonstrations, sit-ins and other symbolic awareness-raising actions in urban areas in CS1 and CS3. The mayors of Avilés and La Coruña, both medium-sized cities with a long history of labour conflicts, actively took part in rallies and walk-outs and publicly advocated the formal mediation of the Spanish central government in the Alcoa case. The workforce was not able to mobilize large protest

rallies in CS2. This was partly due to the location of the factory in the periphery of the large service-oriented Madrid metropolitan area. Instead, they put pressure on the brand with a consumer boycott campaign. The only episode of violence also took place in CS2, when the protestors camped outside the Coca-Cola Fuenlabrada factory attempted to prevent the dismantling of the production facilities and were dispersed by the police.

The workforces organized themselves in an efficient manner to gain other community support. Trade unions provided legal services and directly took part in the discussion of protest strategies and tactics in CS3, but not in CS1 and CS2 where this task remained exclusively in the hands of local works councils and employees. The objective of engaging powerful political players and institutions to intercede in favour of the workforces was attained, albeit through different means. In CS1 and CS3, the EC and the Spanish central government respectively became openly involved, while the blackout of media coverage in CS2 led the Coca-Cola Fuenlabrada workforce to explore other less institutionalized forms of cooperation and community networking. The use of social media for mobilization, self-organization and external communication purposes was also more intense in CS2 than in CS1 and CS3.

In all three cases, the workforces made effective use of national courts and available employee information and consultation rights at EU level. In CS1, the workforce won five court cases against the TNC and was able to prove the viability of the production plant via an external audit report compiled for the EWC. In CS2, court rulings were decisive in forcing management to negotiate after two years of rebuffing employees' offers to compromise. In CS3, the lawsuit against the TNC for non-compliance with the information and consultation rights of the Alcoa EWC was dismissed in court. However, it fuelled uncertainty about the time horizon required for the plant closures to become effective and helped boost trade union awareness at European level.

The duration of the conflicts is a further factor differentiating the case studies. In CS1 and CS3, this was respectively 10 and 9 months, and at the end of the day the collective redundancies did not occur. By contrast, the struggle in CS2 lasted more than 5 years, with employees being dismissed and remaining jobless for 21 months before being reinstated. The establishment of a semi-permanent protest camp outside the Coca-Cola Fuenlabrada premises allowed for a more profound re-signification of the workplace in CS2. This was also present in CS1, where the factory was occupied by the workforce for ten months and regaled with protest banners and large graffiti murals by local artists. Local management repeatedly applied for an eviction order from the court, but without success. In all three cases, conducting protest events in urban areas blurred the dividing line between the social spaces of work, family and community.

Conclusions

TNCs are powerful global players able to play off production sites in different locations against each other through coercive benchmarking, corporate whipsawing and production relocation threats. Workforces can effectively contest corporate restructuring plans by engaging in multi-level resistance alliances with local communities and other territorially embedded collectives and groups. The responses of the employees concerned to plant closure decisions range from formal institutional action to new protest strategies of network-based cooperation transcending the boundaries of traditional ER and labour

conflicts. These however are mostly reactive in nature and not per se fully suited to allowing workforces to elaborate a persuasive counter-narrative to that of global sourcing, shareholder value creation and the growing spatial detachment of TNCs, upon which corporate restructuring is based.

It is argued that labour experiences many difficulties in effectively exploiting existing gaps in the over-exposure of TNCs to global market competition and impatient finance. A well known option for re-embedding corporate decision-making and restraining impatient relocation of capital, production and employment worldwide is the development of transnational institutions and rules. The European Union is the most advanced attempt to generate a transnational source of corporate mobility and ER governance. But the existing institutional framework often proves to be fragile in the event of corporate restructuring processes.

The study of labour resistance against plant closure plans shows a player-based alternative constructed at local level through the intensified coordination of workforces, community groups and public authorities. Labour can combine the strategic use of these alliances with available ER institutions to negotiate and resist the implementation of production relocation plans developed elsewhere and to postulate a contra-hegemonic spatial fix for economic activity and employment. Labour can transcend the local and permeate across different tiers of corporate decision-making. Capital is not only global and can be re-embedded locally, but only if workforces, local communities and public authorities are able to sustain their mutual engagement over time. The labour geography approach comes hand-in-hand with that community organizing. It shows that territories are a source of power, a space and scale in contestation between TNCs and the fragile, often temporary alliances woven at the local level to resist production relocation.

The article confirms a growing awareness of power relations for the analysis of corporate restructuring. Far from being dysfunctional to rational efficiency-seeking and global sourcing by TNCs, conflict and temporary compromises between competing interests constitute the dynamic social order in which corporate decision-making de facto takes place. Our empirical evidence draws attention to the role, strategies and collective action tactics of workforces in resisting production relocation and plant closures. We focus on labour and other locally embedded groups, an aspect often neglected in the mainstream OS and ER literature when analysing the formation of power relations structures and social rules in TNCs. The article contributes to the knowledge of micro-political struggles over existing power resources in TNCs. This line of research has to be further developed towards a refinement of theory-based comparative studies and in-depth qualitative insights into new cases.

Notes

1. Article 51. Royal Legislative Decree Law 2/2015 of 23 November 2015, <https://www.boe.es/eli/es/rdlg/2015/10/23/2/con>.
2. See endnote 1. Article 51.2.
3. Available at: www.ec.europa.eu/spain/pdf/np-tenneco-20-diciembre-2013_es.pdf.
4. For a more detailed description see Köhler and González Begega (2018).
5. The newly established company was in turn merged into Coca-Cola European Partners Ltd. in May 2016, thus becoming a subsidiary in the Iberian area.
6. Data retrieved in December 2018.

7. Interview at La Voz de Galicia, June 19th, 2018.
8. Data retrieved in June 2019.
9. EWC News Nr. 4/2018.
10. IndustriALL News. 18/10/2018: <https://news.industriall-europe.eu/Article/253>.

Acknowledgments

The authors would like to acknowledge and thank Carolina Dantas Madureira for her insightful comments and suggestions to earlier versions of this article.

Disclosure statement

No potential conflict of interest was reported by the authors.

Notes on contributors

Sergio González Begega is a Senior Lecturer at the Department of Sociology, University of Oviedo (Spain). He is member of the research networks PROMEBI (Uniovi), WPE and GoodCorp (ETUI) and co-PI of the EU-funded Project SODITREC. His research lines include European industrial relations and comparative social policy. He has participated in edited books with Edward Elgar, Routledge, OUP, Peter Lang, among others. He has published articles in journals such as *Employee Relations*, *Economic and Industrial Democracy*, *CPoIB*, *Transfer*, among others.

Holm-Detlev Köhler is a Full Professor at the Department of Sociology, University of Oviedo (Spain) and member of the PROMEBI network. His research interests include comparative industrial relations, management and innovation in transnational corporations, local and regional development. He is PI of the project SODITREC. He is co-author of the main handbook on *Sociology of Work and Industrial Relations in Spanish* (Delta Publicaciones, 2010) and guest editor of the special issue *Industrial Relations in 21st Century Europe* (*Employee Relations*, 40(4), 2018).

Funding

The research was supported by the SODITREC Project. Social Dialogue in the Transforming Economy. Reference number EC-EMPL.A2-VS/2019/0096. The authors are members of the PROMEBI (Promoting Employment and Welfare in Europe) Research Group at the University of Oviedo.

References

- Becker-Ritterspach, F. (2006). The social constitution of knowledge integration in MNEs: A theoretical framework. *Journal of International Management*, 12(3), 358–377. <https://doi.org/10.1016/j.intman.2006.06.005>
- Becker-Ritterspach, F., & Dörrenbächer, C. (2011). An organizational politics perspective on intra-firm competition in multinational corporations. *Management International Review*, 51(4), 533–559. <https://doi.org/10.1007/s11575-011-0083-2>
- Birkinshaw, J. (1996). How multinational subsidiary mandates are gained and lost. *Journal of International Business Studies*, 27(3), 467–495. <https://doi.org/10.1057/palgrave.jibs.8490845>
- Boussebaa, M., Morgan, G., & Sturdy, A. (2012). Constructing global firms? National, transnational and neocolonial effects in international management consultancies. *Organization Studies*, 22(4), 465–486. <https://doi.org/10.1177/0170840612443454>

- Buckley, P. J., & Ghauri, P. N. (2004). Globalisation, economic geography and the strategy of multinational enterprises. *Journal of International Business Studies*, 35(2), 81–98. <https://doi.org/10.1057/palgrave.jibs.8400076>
- Calvano, L. (2008). Multinational corporations and local communities: A critical analysis of conflict. *Journal of Business Ethics*, 82(4), 793–805. <https://doi.org/10.1007/s10551-007-9593-z>
- Caruso, L., & Cini, L. (2020). Rethinking the link between structure and collective action. Capitalism, politics and the theory of social movements. *Critical Sociology*, 46(7–8), 1005–1023. <https://doi.org/10.1177/0896920520911434>
- Castree, N. (2010). Workers, economies, geographies. In S. McGrath-Champ, A. Herod, & A. Rainnie (Eds.), *Handbook of employment and society* (pp. 457–476). Edward Elgar.
- Contu, A., Palpacuer, F., & Balas, N. (2013). Multinational corporations' politics and resistance to plant shutdowns: A comparative case study in the south of France. *Human Relations*, 66(3), 363–384. <https://doi.org/10.1177/0018726712469547>
- Crozier, M., & Friedberg, E. (1980). *Actors and systems: The politics of collective action*. University of Chicago Press.
- Della Porta, D. (2015). *Social movements in times of austerity. Bringing capitalism back into protest analysis*. Polity Press.
- Dörrenbächer, C., & Geppert, M. (2006). Micro-politics and conflicts in transnational corporations: Current debates, re-framing, and contributions of this special issue. *Journal of International Management*, 12(3), 251–265. <https://doi.org/10.1016/j.intman.2006.07.001>
- Drahokoupil, J. (2014). Decision-making in multinational corporations: Key issues in international business strategy. *Transfer*, 20(2), 199–215. <https://doi.org/10.1177/1024258914525563>
- Edwards, P. K., & Bélanger, J. (2009). The multinational firm as a contested terrain. In S. Collison & G. Morgan (Eds.), *Images of the multinational firm* (pp. 193–216). Wiley.
- Edwards, T., Marginson, P., & Ferner, A. (2013). Multinational companies in cross-national context: Integration, differentiation, and the interactions between MNCs and nation states. *Industrial & Labor Relations Review*, 66(3), 547–587. <https://doi.org/10.1177/001979391306600301>
- Erkama, N., & Vaara, E. (2010). Struggles over legitimacy in global organizational restructuring: A rhetorical perspective on legitimation strategies and dynamics in a shutdown case. *Organization Studies*, 31(7), 813–839. <https://doi.org/10.1177/0170840609346924>
- Flesher Fominaya, C. (2015). Debunking spontaneity: Spain's 15-M/indignados as autonomous movement. *Social Movement Studies*, 14(2), 142–163. <https://doi.org/10.1080/14742837.2014.945075>
- Geppert, M., & Dörrenbächer, D. (2014). Politics and power within transnational corporations: Mainstream studies, emerging critical approaches and suggestions for future research. *International Journal of Management Reviews*, 16(2), 226–244. <https://doi.org/10.1111/ijmr.12018>
- Geppert, M., Williams, K., & Wortmann, M. (2015). Micro-political game-playing in Lidl. A comparison of store-level employment relations. *European Journal of Industrial Relations*, 21(3), 241–257. <https://doi.org/10.1177/0959680114544015>
- Greenberg, M., & Lewis, P. (Eds.). (2017). *The city is the factory. New solidarities and spatial strategies in an urban age*. Cornell University Press.
- Greer, I., & Hauptmeier, M. (2008). Political entrepreneurs and co-managers: Labour transnationalism at four multinational auto companies. *British Journal of Industrial Relations*, 46(1), 76–97. <https://doi.org/10.1111/j.1467-8543.2007.00667.x>
- Greer, I., & Hauptmeier, M. (2016). Management whipsawing: The staging of labor competition under globalization. *Industrial & Labor Relations Review*, 69(1), 29–52. <https://doi.org/10.1177/0019793915602254>
- Harvey, D. (2001). Globalization and the 'spatial fix'. *Geographische Revue*, 3(2), 23–30.
- Hedlund, G. (1986). The hypermodern TNC - A heterarchy? *Human Resource Management*, 25(1), 9–35. <https://doi.org/10.1002/hrm.3930250103>
- Herod, A. (2001). *Labor geographies. Workers and the landscape of capitalism*. Guilford Press.

- Herod, A. (2012). Workers as geographical actors. *Labor History*, 53(3), 335–353. <https://doi.org/10.1080/0023656X.2012.695212>
- Holgate, J. (2015). An international study of trade union involvement in community organizing: Same model, different outcomes. *British Journal of Industrial Relations*, 53(3), 460–483. <https://doi.org/10.1111/bjir.12098>
- Köhler, H.-D., & Calleja, J.-P. (2015). They don't represent us! Opportunities for a social movement unionism strategy in Spain. *Relations Industrielles/Industrial Relations*, 70(2), 240–261. <https://doi.org/10.7202/1031485ar>
- Köhler, H.-D., & González Begega, S. (2018). We say no to La Monroe closure! Local defiance to global restructuring in a transnational company. *Critical Perspectives on International Business Studies*, 14(1), 83–100. <https://doi.org/10.1108/cpoib-04-2017-0018>
- Kostova, T., Roth, K., & Dacin, T. M. (2008). Institutional theory in the study of transnational corporations: A critique and new directions. *Academy of Management Review*, 33(4), 994–1006. <https://doi.org/10.5465/amr.2008.34422026>
- Lévesque, C., & Murray, G. (2002). Local versus global: Activating local union power in the global economy. *Labor Studies Journal*, 27(3), 39–65. <https://doi.org/10.1177/0160449X0202700304>
- Marginson, P. (2016). Governing work and employment relations in an internationalized economy: The institutional challenge. *International Labour Relations Review*, 69(5), 1033–1055. <https://doi.org/10.1177/0019793916654891>
- Morgan, G., & Kristensen, P. H. (2006). The contested space of transnationals: Varieties of institutionalism, varieties of capitalism. *Human Relations*, 59(11), 1467–1490. <https://doi.org/10.1177/0018726706072866>
- Rainnie, A., Herod, A., & McGrath-Champ, S. (2010). Workers in space. In S. S. McGrath-Champ, A. Herod, & A. Rainnie (Eds.), *Handbook of employment and society* (pp. 249–272). Edward Elgar.
- Roberts, J., & Dörrenbächer, C. (2016). Renewing the call for critical perspectives on international business: Towards a second decade of challenging the orthodox. *Critical Perspectives on International Business*, 12(1), 2–12.