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Decentralization, Union Power and Contention Episodes: the Case of Dacia Workers

Theme 1. Management and Employees

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Abstract

In this article we investigate a case of successful union organizing in one automotive plant in Romania. We argue that in order to be able to explain why the union succeeds in defending workers' rights we need to consider both the structural and the agency dimensions that condition labor's capacity to effectively organize. We find that unions still organize at the plant level and do so effectively when they adopt an adversarial stance towards management. Our analysis of the case of the Dacia plant in Romania shows that the union there has made use of a diverse repertoire of protest activities in order to push for its demands. While striking proved to be a winning strategy for the union in the recent years, we also find that it is a strategy that is used less and less because of the shifting economic and political environment in which the plant is embedded.

Introduction

It is generally recognized that Central East European (CEE) industrial relations underwent a process of decentralization during the past two decades (Glassner 2013; Varga 2013). This means that the state in CEE no longer supports union survival; nor does it envisage a significant role for the unions in macro-economic management or workplace governance (Boxall and Haynes 1997). Central union federations gradually lost power to local unions, which became the main centers of union organization. As a result, plant level collective bargaining agreements became the most important source of employment regulation.

However, we still know very little about how unions in CEE organize at the local level. With few exceptions (Mrozowicki 2014, Varga 2014), most of the literature on plant level industrial relations in the region concentrates on the Western part of CEE, while leaving aside the less developed countries. In this paper we seek to fill this gap by examining employment relations in one factory in the automotive industry in Romania. We look into the factors that explain the successes or failures of the union at the local level. Our argument is twofold. First, we show that the local union has succeeded in remaining a powerful actor that effectively defends workers' rights. This success comes in stark contrast to the failure of national unions to protect collective bargaining institutions especially in recent years.

Second, we show that the effectiveness of the Dacia union stems from two sources. First, the union has maintained itself as a representative organization at the plant level, which enhanced its ability to negotiate with the employer. Second, it posed a threat to the employer through mobilization. Protest actions have been rather frequent especially during the recent crisis and escalated into a general strike during April–March 2008. The strike was a turning point for union–management relations. In its aftermath the local union was successful in presenting itself as a credible threat to management. Besides proving that the union was capable of mobilizing most of the plants' labor force, the general strike showed that the union can defend its claims in front of the local authorities and has sufficient organizational

resources for maintaining the conflict over extensive periods of time. Moreover, it showed that the union can mobilize external resources when needed.

The article is based on empirical data collected from official documents of the company, the union newspaper, reports about the plant from both local and national media, as well as fieldwork interviews with workers and union officials. The paper is organized as follows. The next section will develop our theoretical framework. The following two sections will discuss the company context and the protest episodes that took place between 2007 and 2014 respectively. In the last section we provide a discussion of our findings and outline an agenda for future comparative work on workplace unionism.

Union Agency, Structural Power, and Enterprise-Level Industrial

Relations

In a context of weakening unions and state regulation of labor on a national scale and decentralization of collective bargaining and struggles over labor regulation to the level of individual companies, both the goals and the means of worker interest representation need reassessment. Involvement in national politics and the influencing of state policies via high-level tripartite bargaining or the staging of mass protests—which, for more than a decade after 1989, comprised the benchmark for gauging the activity of large labor confederations in CEE—play an increasingly diminished part in representing workers. As such, questions have to be asked as to what role plant unions can and should play in defending workers' interests, what aims they set for themselves and what strategies they employ in order to secure success.

What successful union action means in such cases is not to be taken for granted. Authors (Morrison et al. 2012; Trappmann 2013) who argue for the importance of understanding labor representation at the enterprise level point out that success is not to be equated solely with positive outcomes, but rather with a combination of specific outcomes and strategic means via which they are obtained. Against this background, recent literature on CEE industrial relations

has sought to uncover the sources of union power at the plant level as well as the factors that account for variation in union strategies across industrial sites. For example, Varga (2011) analyses union success or failure in terms of what he calls “labor interest representation,” which, when unpacked, adds up to establishing whether unions simultaneously achieve effectiveness (unions defend workers’ interests), autonomy (representation is independent from the employer), and legitimacy (the outcomes obtained correspond to the demands of the rank and file).

Yet others, have sought to account for the fate of organized labor by analyzing the “models” of unionism that took shape after transition. Ost (2002) argues that the social movement model of unionism, inspired by the American experience, is “completely inappropriate” for CEE. Aggressive grassroots campaigns involving non-union actors and the incorporation of wider community issues into plant level struggles drove members away, thus resulting in a decline of union power. Instead, as Ost (2002) argues, what is needed in CEE is a return to the servicing model of unionism, in which trade unions represent only the narrow interests of workers. Similarly, in a cross-national study of union strategies across CEE, Mrozowicki (2011) finds that, with few exceptions, the organizing model of unionism has failed to improve workers’ conditions. Rather, bottom up activism proved the most successful strategy for unions in the region.

Building on this literature, we contend that the servicing model of unionism is indeed successful, but that its success varies depending on factors beyond the narrow space of the plant. First, there is the question of how labor regulation on a national level impacts attempts at organization and mobilization on a local level. The legal structure of collective bargaining shapes the strategies that plant level unions can employ (Krzywdzinski 2010; Mrozowicki 2014). A second source of variation comes from the divergent ways in which production is organized and industrial relations have been traditionally established in different industrial sectors. In CEE, there are substantial differences between economic sectors when it comes to the ability of unions to mobilize workers and defend their interests (Bohle and Greskovits

2006; Greskovits 2008). Differences in capital-intensity and the degree of dependence on skilled labor, as well as in the spatial organization of production make for quite different outcomes and limit unions' available goals and means.

A third source of variation consists of the shifting character of labor markets in which both companies and unions are embedded. As Meardi (2007) shows, increasingly tightening labor markets tilted the balance in favor of workers before the crisis, a situation which, when combined with specific sectoral characteristics, greatly influenced the capacity of workers to make claims and impose their demands on employers (Jürgens and Krzywdzinski 2009b). This is all the more important for understanding the balance of forces at the level of individual enterprises, since it is in fact *local*—or, at most, regional—labor markets that have a direct impact on the regulation of labor relations and not labor markets on a national level or labor markets generically speaking, as they are mostly spoken of in the literature (Peck 1996).

Accounting for variations in unions' success thus needs to account for the ways unions organize and mobilize as well as of the structural advantages and disadvantages held by workers' organizations by virtue of their being situated in one milieu of social relations or another. One way of making an analytical distinction between these two sets of factors is in terms of Wright's (2000:962) distinction between associational power—'the various forms of power that result from the formation of collective organizations of workers'—and structural power—'the power that results simply from the location of workers within the economic system'. Partially structural power of labor is thus set by the enabling or constraining characteristics of a specific alignment of structural factors pertaining to the organization of the workplace and to the regulation of the labor market. These characteristics are not intrinsically dependent on labor's capacity to organize. However, even though associational and structural power are analytically distinct, they nonetheless compound each other when it comes to achieving success or failure (see Wright 2000). Silver (2003:13) extends the notion of workers' structural power by adding two subtypes—marketplace bargaining power or the power that workers possess because of the importance of their skills for the employer, and workplace

bargaining power or the power that stems from workers' position within the production system. The coupling of associational and structural union power is thus an effective way of conceptualizing the structural and agency variables discussed above

The above allows us to specify the impact of "structures" on trade union strategies in a more open-ended manner. Contrary to understandings of structure in terms of 'limitations', 'constraints', or 'difficulties', we argue that it is theoretically better to regard structures as comprising both rules and resources, as simultaneously enabling and constraining factors (Sewell 1992). Seeing structure as purely constraining makes for a weak understanding of those cases in which structural factors are actually conducive to unions' success. At the same time, understanding union agency as outside of structural empowerment or disempowerment leads to voluntarist accounts of the social process. This implies that we also need to understand the ways in which agency and structure are intertwined dialectically over time, with structures simultaneously shaping and being shaped by struggles over the regulation of labor.

Case and Method

Capturing the full gamut of factors and mechanisms outlined above is not possible via the by now traditional strategy of small-n comparison. To compensate for this shortcoming we concentrate on a single case that can illustrate how successful (or unsuccessful) labor representation is achieved over time, how strategies are adapted depending on structural factors that are both enabling and constraining, and how local and supralocal processes and structures interact.

In doing so, we chose a case belonging to the automotive industry, whose overall impact and continuous rise in CEE has been the focus of analysis both before and after the onset of the crisis (Jürgens and Krzywdzinski 2009a; Pavlínek et al. 2009). We consider the CEE automotive industry to constitute what Merton (1987:10-1) defined as 'strategic research material',

meaning that it can shed light on plenty of ‘previously stubborn problems’ as well as aid in ‘the discovery of new problems for further inquiry’. Shifting patterns of geographical and sectoral uneven development, reconfigurations of industrial relations and divisions of labor, the making and unmaking of industrial workers’ communities and solidarities, as well as the rise or fall of unions in CEE are just a few in a long list of such issues needing further inquiry.

Our specific case, the Dacia-Renault plant in Mioveni, Romania, is also strategic. While the Romanian plant was somewhat of a latecomer in the club of CEE automobile production sites that underwent upgrading via Western European FDI, it has quickly become a major player in the region and its spectacular rise in the past decade has drawn the eyes of many. As we will show next, the same can be said of the local union and its attempts at representing the interests of its constituency. The degree of militancy of Dacia’s union both before and after the onset of the 2008/9 crisis combined with the dwindling strength of Romania’s union movement provides us with a strong case for analyzing the sources of union power at the local level in a changing structural context and overall decentralization of union organizing and mobilization.

The empirical analysis that follows is based on official documents of the company, the union newspaper, reports about the plant from both local and national media, as well as interviews with workers and union officials. These data were collected primarily during the 18 months of fieldwork undertaken by one of the authors in Mioveni and at the Dacia plant during 2012 and 2013. We used information published in the media and the union newspaper to reconstitute the union’s protest activity after privatization. We assembled a comprehensive database of contentious episodes at the plant, including exchanges of threats and failed attempts at protesting. We used interview data to fill narrative gaps and triangulate the information obtained from written documents.

A Compelling Success Story

A decade after it was bought by Renault, and at a time when the 2008 crisis had not yet yielded its full effects, scholars were pointing at the unequivocal and largely unanticipated success of the Romanian car producer Dacia as a 'revelation' (Freysenet 2009:280). Looking half a decade back, the company's performance during the crisis has been just as good. For the past five years, in spite of the constant decline of the European market for personal cars, and persistent talk of the industry's structural overcapacity, soaring sales figures have pushed the Dacia plant into constantly working at full capacity. In hope of a continuing growth in sales, in 2012 Renault opened a new Moroccan plant producing Dacia cars for the European and North African markets, which nonetheless has yet to put a dent in the constant rise of the Romanian plant.

A parallel and much less discussed development has been the similarly unequivocal success of the union representing Dacia's workers. Both before and after the eruption of the 2008 crisis, the union kept relentless at asking for wage increases, substantial bonuses and benefits, as well as improved working and social conditions for Dacia employees.

Wages have undoubtedly been the main objective workers' representatives at Dacia have struggled for along the years. Their success has been remarkable, despite management's constant opposition and warnings that maintaining a steep wage increase curve would quickly prove unsustainable for the company. According to a top executive, between 2004 and 2011 wages at Dacia increased by no less than 308%, while inflation added up to only 104% over the same period (Capital 2011). As can be seen in Figure 1, not only have wages at Dacia been constantly above the national average, but so has their annual growth rate, which explains why the gap grew both before and after the crisis struck. Despite considerable wage differences between non-manual and manual employees, the latter have benefitted significantly from these increases. According to a union official, in 2013 the net average wage for a manual worker at Dacia was around 2500 RON (560 euros), 54% higher than on a national

level and 52% higher than wages in the country's manufacturing sector (Jurnalul de Argeş 2013).

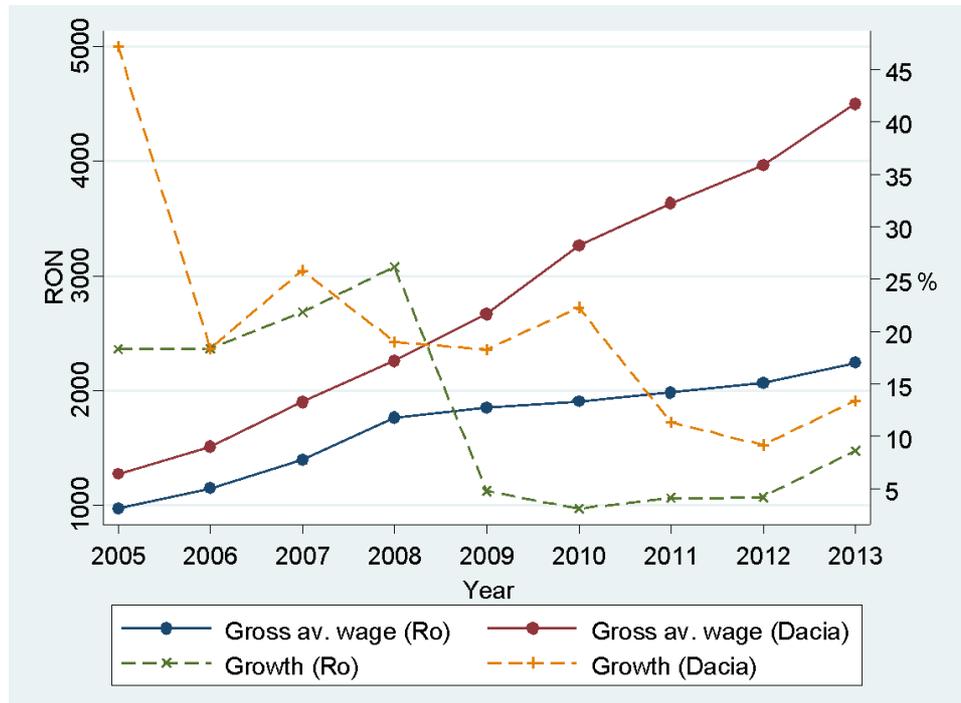


Figure 1. Gross average wage at Dacia in comparison to the national gross average wage.

*Sources: Company data, *Ziarul Financiar*, The National Institute of Statistics.

Note: At the end of 2013, 1 RON ≈ 0.224 EUR.

Workers' incomes are supplemented by food vouchers, paid overtime, and a number of bonuses pegged to the average wage over the entire company: they each receive Easter and Christmas bonuses, a vacation bonus, as well as an annual 'results bonus' negotiated in accordance with the company's profit figures for the previous year. Adding to these is a benefits package that includes a free daily warm meal, subsidized transportation, medical care, as well as subsidized vacation tickets. Employees also receive extra paid days off plus 'social aid' payments when they marry, have children, or if one of their close relatives dies.

Job security for Dacia workers is likewise comparatively high, if we consider that Romanian industrial sectors have been bleeding workers constantly since the onset of the crisis and that the number of large employers has witnessed a severe shrinking. The same can be said when comparing the status of Dacia workers to employees of other car producers in CEE (see below). At Dacia, there have been no major fluctuations of personnel since 2005, a period during

which the company actually increased its number of employees, despite not always having positive growth in production figures. Furthermore, according to a union official, the number of employees on a fixed-term contract remains at less than 10% of the total workforce, all of which are hired directly by the company and none through third-party agencies. This has happened regardless of the 2011 changes in legislation, which provided a strong legal basis for the proliferation of atypical labor. While the introduction of agency work has remained out of the question at Dacia—though in exceptional situations it was successfully introduced by at least one of Dacia’s first-tier suppliers—the company has attempted to slowly erode the large majority of entrenched workers on permanent contracts by replacing them with the more flexible fixed-term contracts. Partly with this purpose in mind, for the past years the company has run a voluntary layoff program that includes a substantial severance package.

Working and social conditions have also witnessed constant upgrading. While productivity has indeed increased dramatically over the years (from approximately 170,000 vehicles assembled in 2005 to 340,000 in 2013), the company’s safety record has improved drastically and so have the settings in which employees work. The union has remained cautious in regard to automation and, despite sticking with a labor-intensive production strategy, the Dacia plant has reached output levels comparable to much more capital intensive sites. In order to accomplish this, Renault has adapted its production system to the requirements of low-cost, labor-intensive production set up at Dacia, which resulted in a push for rationalization, standardization and intensification of the labor process (see Descolonges 2011). In such a context, union representatives have repeatedly emphasized the importance of setting strict limits on labor intensity. While the union has largely accepted management’s policy to gradually increase productivity, it has done so only on agreement that working conditions are not affected and that workers’ remuneration and benefits increase accordingly (see Figure 2).

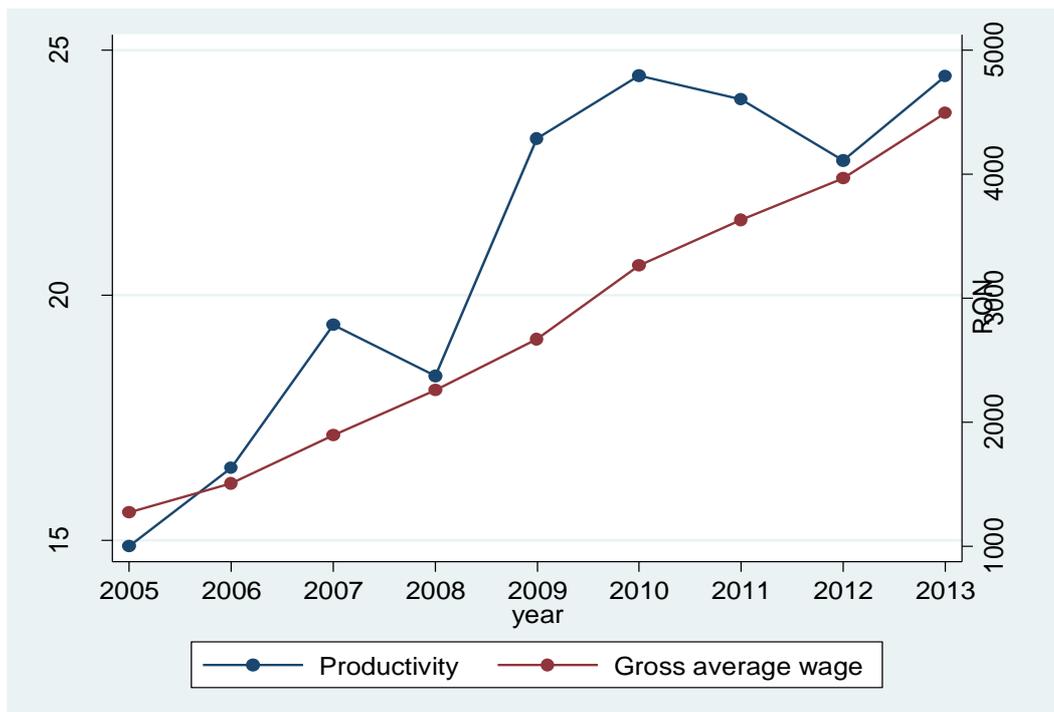


Figure 2. Productivity and wages, 2005-2013.

**Sources: Company data, Ziarul Financiar, ACAROM.*

Note: Productivity is calculated as the number of cars assembled per employee. This concerns only the Dacia assembly plant and does not include the production of CKD kits and components such as engines and gearboxes, which are also produced in Mioveni and have similarly witnessed substantial increases in productivity since 2008.

If it is clear that when it comes to workers' interests Dacia stands out from the crowd, the question remains as to how much of the above can be attributed to the local union and how much to the features of capital-labor relations in the automotive assembly sector. As some have argued (Bohle and Greskovits 2006; Jürgens and Krzywdzinski 2009b), comparatively higher wages, better working conditions, and increased job security are characteristic for the automotive industry in CEE, not necessarily because unions are strong, but because a capital- and skill-intensive sector like the automotive industry requires maintaining such high standards and favoring compromises with organized labor. Dacia, for that matter, would constitute just another case of the (limited) high-road model upon which automobile assemblers have set themselves since they started investing in the region in the mid-1990s (see Jürgens and Krzywdzinski 2009b).

While there is no doubt that some of the developments outlined above have to do with Renault's policy aimed at upgrading conditions in the plant after privatization, there is a great

deal of evidence indicating that without the union's relentless militancy they would have been far less spectacular. First, it is important to note that the onset of the crisis has changed little, if anything, in the trend of constant improvement of workers' welfare that had developed in the pre-crisis years. After 2008/9 Dacia moved from a situation of high labor turnover to one of very low labor turnover, which partly explains the need for the voluntary layoff program mentioned above. At the same time, the local and regional economies in which the Dacia plant is embedded have become even more dependent on the automotive industry corralled around the Mioveni plant (Ziarul Financiar 2014). These developments are compounded by the very low employment rate and high level of hidden unemployment in the overall Romanian economy.

When it comes to job security and flexibilization, differences between Dacia and other assembly plants in CEE also point at the comparatively high importance of union action in promoting workers' demands. In contrast to the limited high-road model described by Jürgens and Krzywdzinski (2009b), the Slovakian case discussed by Bohle and Greskovits (2006), or other assemblers in the Czech Republic, Slovakia and Hungary (Drahokoupil, Myant and Domanos 2014), Dacia has yet to develop a substantial buffer of temporary workers—or, for that matter, any buffer at all. This has not happened largely because management's attempts at implementing flexibilization policies both before and after the onset of the crisis have been successfully thwarted by the local union. The passing of a more permissive legislation in early 2011 changed little in this regard, though it forced the union to compromise in regard to the expansion of fixed-term contracts especially for new employees. Thus, contrary to the regular industry practices and favorable legal provisions, the introduction of agency work has so far been impossible at the companies represented by the union. The only exception in this regard was the case of one supplier that lost the contract with Dacia and used agency work in the process of downsizing its operations and leaving the Mioveni industrial platform in 2012-2013. In this case the union successfully negotiated the transfer of employees who were union members from the supplier to Dacia. Apart from the issues of temporary employment and

labor flexibilization, a closer look at collective bargaining processes over the years shows the union's involvement in significantly enlarging the range of benefits granted to workers, most of the time despite management's opposition. The same can be said of working and social conditions at the plant, and, probably more than anything, of the sustained wage increases Dacia workers have benefitted from.

What is maybe most striking about the union at Dacia, however, is its organizational strength. With a unionization rate of 85%, Dacia seems to be in a league of its own among CEE automobile assemblers, where union membership rarely goes over 50% (Drahokoupil, Myant and Domonkos 2014; EIRO 2003; Jürgens and Krzywdzinski 2009b; Mrozowicki 2014). From this point of view, it surpasses by a very large margin even those assemblers who adopt the so-called 'German way', which explicitly favors social partnerships between companies and unions (Bohle and Greskovits 2006:19-20). Adding to this is the fact that the Dacia union also represents workers in several of the plant's major suppliers, the components industry being notorious for its hostility toward organized labor. According to a union official, out of the approximately 20,000 employees working in the companies in which the union is active, membership adds up to no less than 16,000 people, which makes for a unionization rate of 80% over all companies. While unionization rates of over 80% in the CEE automotive industry are not unheard of (e.g. Mrozowicki 2014:308), considering the sheer size of the labor force represented, the coverage of both assembly plants and suppliers, as well as the overall hostility toward union organizing in the Romanian context, the performance of Dacia's union clearly stands out from the crowd.

Just like with all of the above, union representatives had to struggle in order to maintain such high membership rates. While the union gathered around the same percentage of company employees before privatization (approximately 23,000 union members for 29,000 employees), after 2000 it survived an aggressive restructuring program involving a large number of layoffs, significant externalizations and a thorough reorganization of the shop floor. While it can be said that part of the union's organizational strength was passed over from the 1990s, when it

played a significant role in collective bargaining and it provided certain services to employees, after privatization the union not only kept most of its previous functions, but it also reacted to new managerial strategies. It was only several years after privatization that the union took an overtly conflictual stance toward management in defending the rights of its constituency. Only then did striking and the mobilization of the rank and file, which had never happened until privatization, become a chief strategic dimension for the union at Dacia.

Undoubtedly, neither industry-specific industrial relations setups, nor labor market factors, nor a favorable institutional or discursive setting on a national level can provide for a satisfactory explanation of how the union managed to obtain such successes. Therefore, maybe more than in other cases, it is obvious that what Dacia workers have managed to obtain for themselves during the past decade has more to do with matters of strategy than it does in other cases. It is to this issue that we turn in the next section.

Union Strategies: Accounting for Success

Above we have discussed what the trade union manages to obtain from the employer and argued that Dacia is an exception in the landscape of car producers even beyond CEE. In the following we will show how the union succeeds in pushing for its demands and what strategies it uses in order to do so. In particular we will focus on the use of protests as a strategy for gaining concessions from the employer. Figure 3 shows the distribution of strikes at the plant between 2007 and 2014. We chose 2007 as a starting point mainly because this is when protest activity picked up at Dacia; except for a failed attempt at organizing a general strike in 2003, between 2000 and 2006 there was no open conflict between the union and management.

The Figure reveals that the union has been very active in organizing workers. Since 2007 thirteen protests have been organized at the plant, including a general strike in March–April 2008. The union followed a classical pattern of negotiations with the employer. In the

beginning of each year, consultations for the collective labor agreement start between the two actors. The union puts forward its demands that stress wage increases and bonuses over the year to come as well as improvements in working conditions. If the employer expresses her disagreement over these demands, the union proceeds with issuing threats with a general strike or advances to more aggressive options such as slowdown strikes reducing the working time in different departments of the plant.

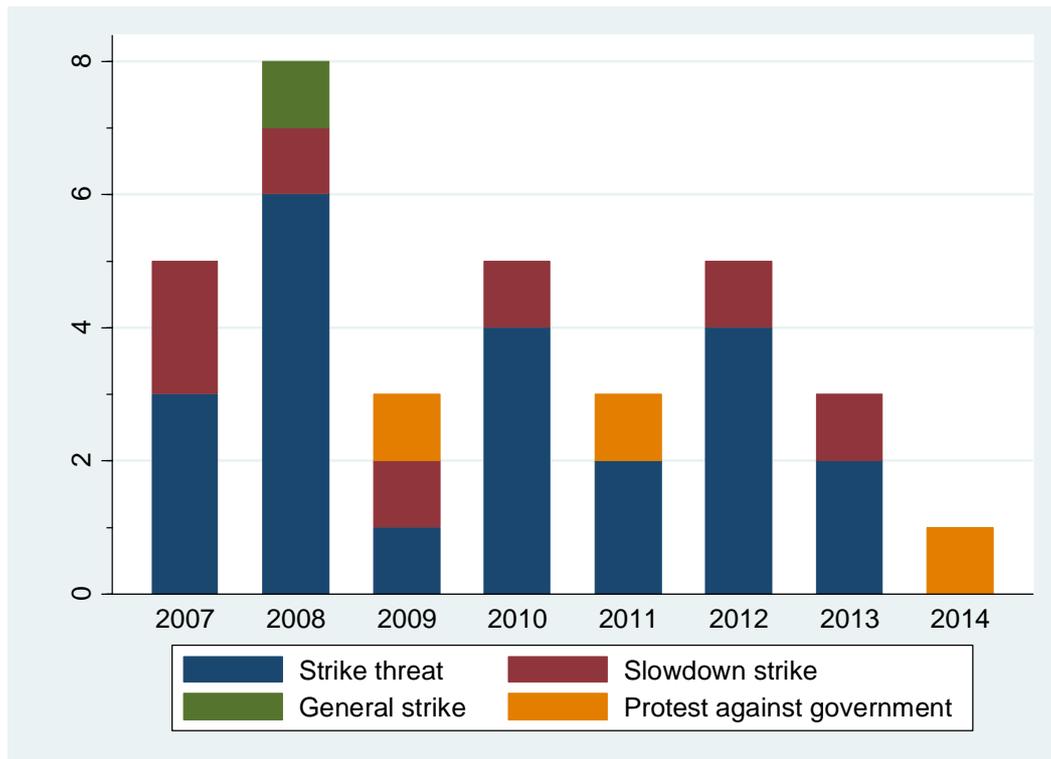


Figure 3. Protest activity at Dacia, 2007-2014.

**Sources: Compiled from Ziarul Financiar, InfoAutoturism, Ziare.com, HotNews.ro.*

Negotiations of the collective labor agreement in 2007 went along these lines, with the union demanding a 25% wage increase, compensatory wages for laid-off workers, as well as better working conditions. The union backed its wage demands by arguing that productivity at the factory had increased significantly over the past two years and that this increase should be reflected in workers' incomes. During the first round of negotiations, the management responded to union grievances by proposing a wage increase of only 6.5% to be paid in three instalments throughout 2007. Following several days of failed negotiations over the level of wage increases, the union scaled up its threats and began gathering signatures for a general

strike, while also organizing a temporary work stoppage during the supplementary work hours. These actions led to an intensification of management's efforts to avoid a further escalation of the conflict. Although negotiations officially proceeded in a relatively calm manner, trade union officials reported that the management sought to intimidate workers and trade union leaders by asking the former not to participate in the slowdown strike and attempting to temporarily suspend the work contracts of the latter (AmosNews 2007). Eventually, the two sides reached an agreement over a pay raise of 20.1% to take place in several stages, which was very close to the initial demands voiced by the union.

This episode of collective bargaining reveals that the union was capable of communicating its demands to both workers and managers as well as calibrating its threats relative to the context in which the negotiations took place. The slowdown strikes gave credibility to the threat with a general strike and also showed that the union had the support of workers in making its claims. Nevertheless, the episode also revealed that the tensions surrounding the issue of pay rises relative to increases in productivity were only temporarily solved.

Unsurprisingly, the issue of pay raises resurfaced a year later during the negotiations for the 2008 collective labor agreement. This time, however, the demands of the union significantly exceeded those of the previous year: among other things, they included a pay raise of approximately 145 euro for all employees, a share in the net profit of the company, pay bonuses for those working under dangerous working conditions, as well as the limiting of the number of temporary contracts at the plant. With management rejecting the demands of the union and labelling them as 'unrealistic', union officials started the labor conflict procedure by registration at the Ministry of Labor.

However, the mediation process failed after management representatives refused to meet the demands of the union. Since the union had only once before followed up on its threats and believing that in the event of a general strike they would successfully defeat the union in court, like they had done in early 2003, company representatives ignored the union's threats and

declared that they would not even take the demands into consideration. After issuing another threat, the union went forward with organizing a warning strike and officially announcing the general strike, set to begin on March 24. In response, management proposed a 12% wage increase and sent letters to each worker's home address underlining the wage losses which they would incur in the event of their participation in the upcoming general strike (AmosNews 2008).

This upscaling of the threats coming from the company's management did not break the negotiations deadlock. The union refused to budge from its initial demands and, as announced, declared the general strike on March 24. Reports on participation in the strike on the first day varied from 85% of the labor force, as claimed by union leaders, to 49%, according to company officials (HotNews 2008). Based on these diverging accounts of how many workers were actively taking part in the strike, the management tried to undermine the union's capacity to continue the strike by challenging it in court.

Three days into the strike, the union gained the upper hand in the negotiations: it succeeded in postponing the trial by one week—the time necessary for the union to secure legal representation and prepare their defense. During this period, union leaders tried to mobilize workers and gather external support for their claims. On March 27, a rally was organized in the center of Mioveni, the town where the factory is located, in which representatives of the National Trade Union Bloc (BNS) confederation and the French Union CGD Cleon Renault took part. The rally brought the Dacia conflict even more into the attention of national and international media and triggered a wave of reactions from representatives of government and major political parties. While the Prime Minister and leader of the National Liberal Party voiced his criticism towards the striking workers, politicians belonging to the Social-Democratic Party supported their claims (Ziare.com 2008). Striking workers were thus offered a chance to gain support outside the union movement and seek allies among political forces and exert extra pressure for solving the conflict in their favor.

New rounds of negotiations failed to produce an agreement. On April 2, the court postponed the decision on the lawsuit over the legality of the strike for another week. Company officials reacted by giving an ultimatum to the union: they retracted their previous offer and announced that there would be no more negotiations until the end of the strike. In addition, management attempted to partially restart production with workers who had not gone on strike.

A week later, the court ruled in favor of the union. The ruling provided a boost of morale for the striking workers, with another rally being planned the next day in the nearby city of Pitești. These two events led to a turn in the company's attitude toward the strikers. A day later, on April 11, a new offer that included a 36% wage increase was put up to the vote of union members and was accepted by union representatives, thus putting an end to the general strike.

This episode of contention provides a lens through which we can assess the strategy used by the union in defending its members' interests. First we should note that labor at Dacia seems to follow the pattern of behavior predicted by Silver (2003) in which unrest follows the spatial relocation of the automotive productive activities to lower cost sites. Renault's investment, however, did not *create* a newly self-conscious working class but had to *confront* an already existent unionized labor force that had the infrastructural and ideational resources for mobilization and interest representation. Second, a key factor that mattered for a successful outcome was the way in which the union made use of local institutions, and especially the union's capacity to defend the strike in front of the local tribunal by gathering the necessary amount of signatures in order for the strike to be declared legal. Union officials undertook lengthy preparations in anticipation of the legal battle, having learned a hard lesson in early 2003 when they called for a general strike only to lose the case in court soon after the strike began. With a legal system notorious for its unfriendliness toward strike actions, union officials were conscious that surviving a court trial would be a major hurdle. Third, the union made use of its workplace and marketplace bargaining power in order to have its demands met. As the

plant in Mioveni was the main production site for Dacia cars and had connections with many local suppliers, the strike caused wide disruptions, both within the company and across the Romanian economy (Capital 2008). Apart from economic losses, these disruptions drew even more attention from the media, the business and the political spheres. Unionized workers also held a marketplace advantage: as elsewhere in the region at that time, the plant faced significant problems related to high labor turnover and the lack of skilled labor

The 2008 strike proved to be a turning point for industrial relations at Dacia. On the one hand, it gave credibility to the threats voiced by the union and increased its legitimacy among workers by proving that it can deliver concrete outcomes. In this sense, the post-2008 bargaining episodes between the union and management have been much less aggressive: threats and temporary work stoppages became more sporadic and their intensity decreased when compared with the pre-2008 events. On the other hand, management became more aware of the threat the union poses and has consequently reoriented its bargaining strategy. Importantly, threats with relocation of production to other low cost sites that Renault owns in Morocco and Russia have become ubiquitous, especially since the opening of the Tangiers plant in 2012. While relocation threats were used at least as early as the 2008 strike, after 2012 they became considerably more credible and have since then been insistently voiced primarily as a means for containing the wage increases demanded by the union. These threats captured the attention of national media and political elites, who have unanimously borrowed the discourse of the management. As opposed to the mixed feelings surrounding the 2008 strike, both local and central politicians and media outlets now routinely issue warnings that wages at the Dacia factory have become too high and that they endanger the competitiveness of the factory. Faced with strengthening opposition, the union has continued to rely on its strong associational and structural resources in order to advance its claims. In early 2014, the union staged a large protest demanding government investments in road infrastructure and vocational schooling, which both union and company officials claimed were necessary for reducing costs and remaining competitive. For the near future, the union thus faces the double

task of maintaining associational strength and managing the mounting assault on its claim to structural power.

The reluctance of the Dacia union to organize strikes over the last years is also related to the changes in the labor legislation that have been passed in 2011 (see Chivu et al. 2013; Trif 2013). Essentially, the new laws make it more difficult for unions at the plant level to organize by extending the use of temporary contracts, eliminating the mandatory pay for union officials for the time they dedicate to union affairs, as well as allowing union leaders to be fired after their mandate ends if they are not 'good professionals'. The Dacia union protested against these changes in early 2011 and has since then continued to plead for a change of legislation. Without political support and in the absence of a strong national union movement, these protests remained without any impact. Indeed, the strengthening of Dacia's union in the aftermath of the 2008 strike lies in stark contrast with the pronounced decline of Romania's national union movement after the onset of the current crisis (Guga 2014; Varga and Freyberg-Inan 2014). Even though national union confederations threatened to organize large-scale protests against the legislative changes imposed by the government, concerted union action failed to materialize and the few protests that did take place were without consequence. Failure to mobilize the rank and file came partly as a result of the progressive weakening of the union movement since the early 2000s and partly as a result of the government's shock tactics in imposing a set of brutal "anti-crisis" policies, which included major modifications to labor legislation. In spite of its repeated attempts at protesting and negotiating with government officials and of successfully drawing the attention of national media by mobilizing a large number of workers and insisting on Dacia's importance for Romania's overall economy, the local union's failure at influencing government policy in regard to labor legislation and infrastructure investments highlights how an otherwise locally very strong union becomes weak once it attempts to push for demands that go beyond the immediate enterprise setting.

Conclusion

The case of Dacia is an instance where the union succeeds in defending workers' rights in an environment geared towards thwarting organized labour. A key part of its success was the safeguarding of workplace solidarity through constant efforts to retain membership levels combined with an intensive strike activity. In this sense, workplace mobilization acted not only as a way to gain concessions from the employer but also as a catalyst for preserving the union's legitimacy in front of its members and its autonomy from the company's management.

Following Wright (2000) and Silver (2003), we attributed these elements to the associational power of organized labor at Dacia, which needs to be distinguished from its structural power. As we have shown, the degree of success the union has achieved in representing the interests of its members is explained by the union's capacity to repeatedly mobilize the rank and file and maintain high levels of mobilization for long periods of time, as was the case with the 2008 strike.

However, the union's successful mobilization was conditioned by Dacia workers having considerable structural power. The degree and nature of workers' structural power has witnessed significant mutations since the 2008 strike and the onset of the crisis. If before the strike the situation at Dacia resembled the one of high labor turnover and chronic shortage of skilled labor described by Meardi (2007) and others (Jürgens and Krzywdzinski 2009b), things soon shifted in the opposite direction, with a very low turnover and the local labor market becoming highly dependent on Dacia and other automotive operations. This came partly as a result of the crisis, which severely impacted on other opportunities on the local labor market or elsewhere, via migration. A big role in bringing about these changes was played by the union itself. The substantial and continuous improvement in its members' welfare since the 2008 has significantly increased the attractiveness of having a job at Dacia, which has effectively segmented the local labor market into a relatively small contingent of comparatively well paid and highly secure jobs held by workers at Dacia and a few of its tier

one suppliers, on the one hand, and a large contingent of badly paid and highly insecure jobs, many of which are tied to the automotive sector, on the other. In other words, the severe tightening of the local labor market in the aftermath of the 2008 strike constitutes a direct threat for workers' marketplace bargaining power, which the union has thus far managed to contain.

The case of the union at Dacia thus points at the importance of accounting for both associational and structural power when it comes to dealing with union success or failure. While this is valid generically speaking, we believe it deserves special attention when it comes to the study of unions in CEE. Since the onset of the current crisis, the region has witnessed not only a more pronounced turn to anti-union discourses and policies, but also a reconfiguration of its embeddedness in transnational networks of production, distribution, and consumption. When it comes to enterprise-level studies, as we have argued, these should not be treated merely as macro-level analytical dimensions, but should be dealt with as concrete, grounded developments pushing and pulling unions (as well as companies, industries, or governments) in one direction or another and affecting both their structural and associational power.

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