

**Renouveau syndical : Innovations pour un accroissement du pouvoir
syndical à l'ère de la mondialisation**
**Union Renewal : Assessing Innovations for Union Power in a Globalized
Economy**

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**Globalisation, Relocation and the Challenge to Bank Trade
Unions in France and Britain**

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Internationally, trade unionism is best defined as a collective process in which individuals freely associate together in order to achieve two linked but core objectives: the defence of and improvement in their working conditions and the development of socio-economic alternatives to the arbitrariness of a capitalism where labour power is reduced to a commodity to be bought and sold. In the past the elaboration of trade union structures and policies in pursuit of such objectives have been almost exclusively located in the national context. The resulting variety of trade union systems is legion. Yet over the last twenty years, the pre-eminence of neo-liberalism and its financialisation of the world economy, accompanied by the acceleration of relocation and a sharpening of the global division of labour, means the international trade union movement is having to recognise the enormity of the new challenge and to develop responses.

An illustration of this recognition is the International Confederation of Free Trade Unions policy statement on globalisation, which it rightly describes as a multi-faceted development (ICFTU 2001:11):

Globalisation is the result of several developments and processes which are generally linked together. These include:

- The growth and relative importance of foreign direct investment, which provides a greater role for multinational enterprises;
- The internationalisation of financial markets;
- The development and diffusion of communication and transport technology;
- Deregulation and liberalisation;
- Privatisation of the public sector.

This definition sees globalisation as the combination of a series of trends, each one of which can be and is being contested by unions in different ways. In this paper we critically examine how the two largest trade unions in the French and British finance sectors are

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beginning to adjust their structures and policies in an attempt to continue to pursue their dual objectives. In terms of the defence of workers in the highly exposed sector where they organise, we examine how the unions are dealing with work intensification, offshoring (international relocation) and business concentration. In terms of developing alternatives to capitalism we consider how they attempt to assert the significance of public service, the role of the state and different ways of running the world economy.³

Clearly Western European trade unionism has been severely buffeted by adverse political and economic conditions over the last twenty years and is now significantly weaker in membership and/or political influence. In Germany, it has been argued, globalisation has led trade unions to embrace a 'competitive corporatism' that internalises management principles rather than challenges them (Hurtgen 2003). In France the national union confederation now claiming the largest membership (the CFDT) endorses much de-regulation and as a matter of policy seeks to work closely with the employers and the right-wing government, although its Bank Federation remains generally opposed to this policy. In Britain trade union 'realism' and 'partnership' with the employers has been the dominant perspective of the TUC since the defeat of the miners in 1985, and has driven a continuing union merger movement that in 2004 took the sector finance union UNIFI into the ranks of the 1.2m member AMICUS general union.⁴

Banking is clearly at the heart of the globalisation maelstrom. Yet while finance capital is flourishing, bank work and banking business have also changed significantly. Far from being able to exercise increased influence over their work and their working conditions since the early 1990s banking unions have seen the numbers of direct bank jobs and their union memberships fall significantly. In both France and the UK traditional industrial relations in banking have been affected. In France there has been an upturn in

³The paper is based on literature reviews, interviews, survey research and analysis of union web-sites carried out between 1996 and 2004 largely with the French CFDT-Banques and the British union BIFU-UNIFI that has now merged into AMICUS. We offer thanks to all the members, activists and union officers who have helped us over the years.

⁴ The CFDT-Banques federation probably has between 12,000 and 15,000 members and achieves the highest votes in France's workplace elections for representative posts in the sector. UNIFI claimed to be Europe's largest specialist finance sector trade union with 158,000 members in 2004 (down from 180,000 members in 1999), and this membership haemorrhage was one factor in its recent vote to merge with the biggest private sector union AMICUS from September 2004, creating a finance sector group with 200,000 members out of the whole union's 1.2m. Despite the contrast between UNIFI and the CFDET-Banques in numerical membership, however, In earlier research we suggested that the numbers of finance union activists on the ground who were involved in regularly meeting attending, actively participating in the two unions in both countries was roughly similar (Contrepois and Jefferys 2004).

conflictuality, particularly around the annulment of the 1937 decree regulating working patterns, the employers' 1998 denunciation of the sectoral collective bargaining agreement, working time arrangements and pension entitlements and early retirement (Dressen 2003). In Britain there has been a fragmentation of relationships between banks and the unions. In some banks there has been greater conflictuality, with banks increasingly trying to operate without union input; in others there has been experimentation with partnership agreements, under which certain banks have attempted to co-opt the unions into the change process (Wills 2004).

The justification for comparing two finance unions in France and the UK is not just that these countries host Europe's biggest banks: in 2002 the HSBC and Royal Bank of Scotland were separated by France's *Crédit Agricole* as the very biggest of Europe's top 300 banks.⁵ It is also that comparing two countries with similar-sized populations and economies but where the largest unions in banking have different organisational, cultural and political traditions⁶ can often throw more light on the range of possible solutions to very real and common problems than if only one context is studied (Contrepois and Jefferys 2003). What differences appear in the responses given in the two countries? And can wider lessons be learned from such a comparison? Our argument is that the two unions we examine here have started advancing alternatives to globalisation. There remain important country differences. But what is perhaps most interesting is the extent of common searching between them for answers that embody the expression of the independence of the interests of their members from the employers. It is also clear that neither union has a monopoly of answers.

In Part One we sketch the socio-economic impact of globalisation on banking and the associated challenges to finance trade unions. In Part Two we detail these policy issues and examine the different responses of the French CFDT-Banques federation and of the British Unifi-AMICUS. In Part Three we compare these responses and in Part Four we draw some conclusions.

⁵ *The Banker*, 3 September 2003.

⁶ In the UK until September 2004 Unifi was the only one major national union for bank workers, with the finance workers group of the AMICUS union with which it has now merged recruiting more strongly among insurance workers. Single bank unions do, however, still survive, notably the corporatist Lloyds-TSB Group Union, which claims 45,000 members and proudly proclaims its independence from 'the TUC or any political party'. In France five national unions attached to competing Confederations recruit members among all bank workers, with the result that each usually distinguishes itself quite clearly from its competitors on both organisational, strategic and political grounds. In July 2004, however, policy divisions in the CFDT Confederation have spilled over into the CFDT-Banques Federation, whose leadership was being accused by the Confederation of preparing a fusion with the CGT bank workers' union federation.

1. Globalisation and French and British banking

If we consider three of the ICFTU processes quoted at the top of this paper, internationalisation of finance, deregulation and privatisation, it is clear banks have been and are at the core of the technological and financial process driving contemporary globalisation. The services banks provide directly facilitate the movement of funds between different individuals, companies, governments and geographical regions of the world, and as such are major carriers of the process by which global financial priorities are, arguably, supplanting more local and real commitments to public service, staff and social justice. The adaptation to its new role has been accompanied by banking de-regulation in Europe, by the establishment of the single European currency, and by the shifting of control over the interest rates from national politicians to 'independent' banking authorities.

Yet banks are also being strongly affected by the increasing volumes of Foreign Direct Investment and the growing strength of multinational enterprises, another process flagged up by the ICFTU. Traditionally banking was a large 'protected' economic sector largely focused on specific, local or national labour markets. Yet banks are undergoing considerable strains as they themselves have become targets of the globalisation process and come under pressure to offer enhanced short-term shareholder value. In France the 1984 Banking Law specifically encouraged inter-bank and inter-sector competition,⁷ and beginning in 1986 and continuing up to the state's disposal of its last 10% of Crédit Lyonnais in 2002 a major part of French banking is now back in private hands. From July 1994 the European insurance market has been totally open (Bellando *et al* 1994: 125-36). There have been major waves of both national and international bank take-overs and mergers forming huge international groups, while the traditional divisions between retail and mutual banking on the one side and banking and insurance on the other have become blurred. The scale of such mergers is staggering. At the end of the 1990s Gnohoue *et al* (1999 : 26-8) noted :

« Une vague de fusions, d'acquisitions et de cessions s'est propagée : en fréquence comme en valeur, l'ampleur du phénomène reste inégalée dans les autres secteurs d'activité à l'exception notable des télécommunications. De décembre 1995 à

⁷ For Dressen *et al* (1997), « trois raisons essentielles guident les décisions de l'Etat en matière d'assouplissement de la réglementation : une volonté d'exacerber la concurrence pour tenter d'abaisser les coûts du système financier ; la volonté d'œuvrer à la constitution d'un grand marché pour faciliter l'intervention des banques à l'étranger (libéralisation des mouvements de capitaux, intégration de l'ensemble des marchés bancaires et financiers, création d'une monnaie unique) ; trouver des ressources pour lui-même.

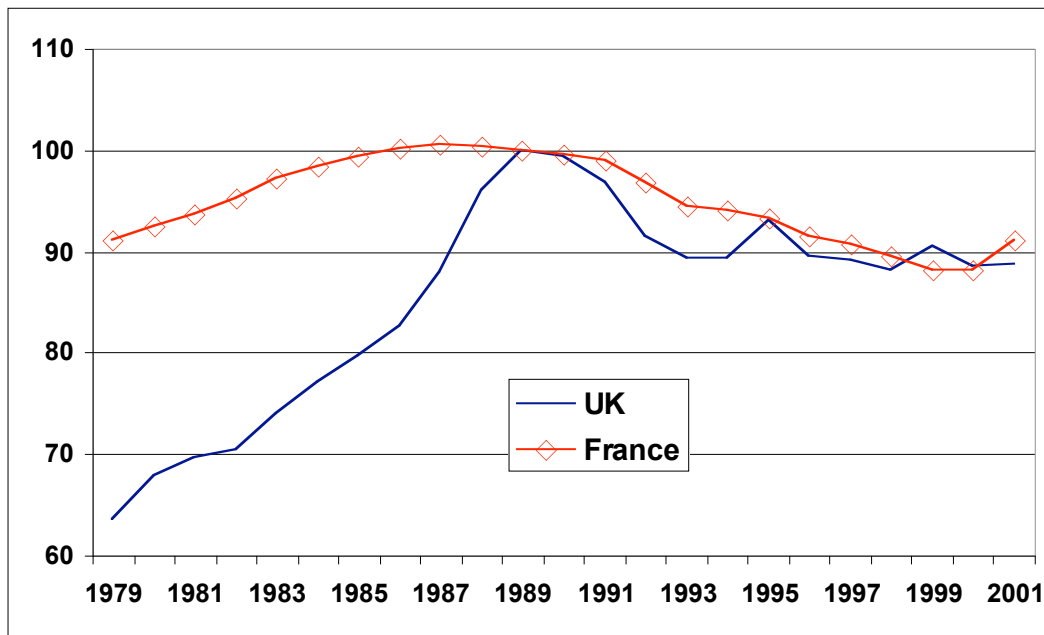
avril 1998, 250 opérations ont ainsi été réalisées en France, en Allemagne, aux Pays-Bas, au Royaume-Uni, en Suisse, en Italie et en Espagne ».

The dividing lines between financial products are collapsing and the degree of concentration across the sector is growing. Whereas intra-bank competition was once 'gentlemanly' it is now often desperate. Globalisation has thus led to changes in the scope of the banking market (which is now increasingly international), and in the content of the banking product (now much more focused on selling services than ever before) (Regini *et al* 1999).

The change processes are, however interconnected. Thus the financialisation process has witnessed an increase in the daily foreign exchange market turnover from \$776bn to \$1,173bn between 1992 and 2001 – a volume more than fifty times greater than the daily world trade in goods and services (Grahl and Lysandrou 2003: 604-5) - was inconceivable without information technology. This has not only enabled global finance to develop its reach, but it has also helped transform bank work itself. Information technology has driven significant productivity gains in 'back-office' work, but has also made it possible to shift (via sub-contracting or in-house centralisation) much 'front-office' work out to call centres and to the Internet. Technology, the ICFTU's fifth highlighted globalisation process, has made it possible for 'just-in-time' production (or service) regimes to be compatible with a shift of jobs out of bank branches and into larger units. Across France one multi-sector study suggested that in 2002 there were 183,000 staff employed in some 3,000 call centres (Cesmo 2003), while in the UK where First Direct spear-headed telephone and on-line banking, one estimate suggested as many as 132,000 finance workers could be working in call centres in 2000, and the Call Centre Association described 27% of its membership as being based in finance (Bain and Taylor 2002: 248).

In Figure 1, we can see that financial deregulation expanded employment in France and the UK up to the end of the 1980s. By contrast in the context of the spread of new technologies, work intensification and offshoring the 1990s saw job losses and rising insecurity.

Figure 1 Financial intermediation services (excluding insurance and pensions) employment change, France and UK, 1979-2001 (1989=100)



Source: Groningen Growth and Development Centre (2003)

Accompanying the intensification of competition were huge organisational changes in the status of banks in both countries. British building societies became market-driven 'banks' and public sector French 'banks' were privatised or taken over or merged into the more successful financial institutions outside the regulated banking sector (largely mutual banks that had been freed from many of their operating constraints). In both countries these mergers and take-overs have had dramatic consequences on union structures that were traditionally firm-based.

Depending upon a mix of factors including firm size, management business and employment relations strategies and the embeddedness of the union - its local resources, resilience and independence - significant differences in employment relations opened up between different British firms. While each bank always had a different cultural tradition, firm-level differences became even more significant after the employers pulled out of sectoral collective bargaining in British banking in the 1970s. From the union activists' viewpoint by 2002 working relations with management were, for example, much more positive in Lloyds TSB than in HSBC; staff were reporting more grievances to union representatives concerning performance pressures and stress in Barclays and more on appraisals and sickness in HSBC (Jefferys 2003).

In France, bank restructuring involved the privatisation of France's two largest retail banks, a new major role for the French insurance giant Axa, and the liberalisation of the market to permit the mutual banks to compete fully with the retail banks. However, sectoral collective bargaining has remained a major determinant of local working conditions, and the national legislative framework and labour code remains a restraining element on neo-liberal practices. Thus the two legal interventions on working time (1982 to 39 hours and 1998 to 35 hours) had positive effects on average working time. Whereas the higher proportions of part-time workers meant that in 1979 French finance workers worked on average 23 hours more per year than their British counterparts, by 2001 they actually worked an average of 134 hours a year less (Groningen 2003).

French bank workers' reductions in their working time, however, were used by the employers to trade-off major changes in work organisation. Crédit lyonnais, for example, introduced a major eight per cent cut in its French workforce between 1994 and 1996 while the national 1937 decree protecting working patterns was revoked in 1997. In January 2000 a new collective bargaining agreement was signed by the five French bank trade union federations. While this has been criticised for introducing the individualisation of wages, geographical mobility and the loss of rights in face of redundancies, it nonetheless maintained a national framework for local agreements on the detailed terms of subordination that otherwise might have been swept away (Contrepois 2000).

From the context sketched above several linked questions have entered contemporary trade union debates about globalisation:

- Is it inevitable that work intensity should increase?
- How can unions respond to out-sourcing overseas?
- What are the implications of bigger and bigger banks?
- Can banking still be considered a public service?
- What role can or should governments play?
- Can international finance capital be successfully regulated?

In Part Two we consider union responses to these sectoral and societal issues.

2. Globalisation and bank union responses

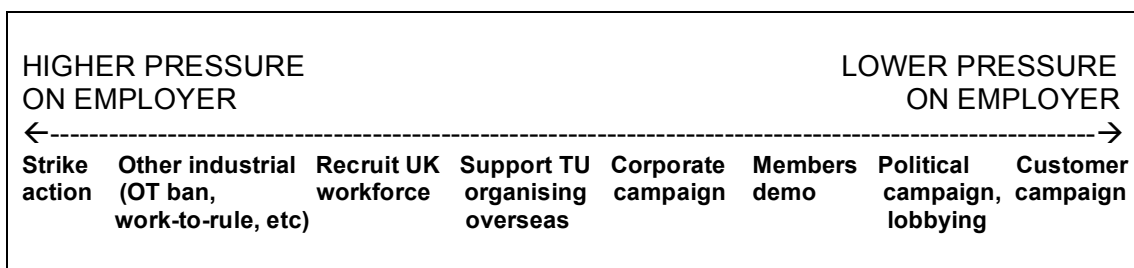
Our analysis of how the CFDT-Banques and UNIFI are adapting to the changing terrain of globalisation distinguishes four discrete areas of union policy-making:

- (1) positions that are national policy but which remain largely paper resolutions or statements and that are given only a little airing through union journals or on the Internet;

- (2) situations where policy becomes more active with impacts on internal union education programmes or changes in union rules and constitutions;
- (3) positions that are given concrete form by being taken up externally in negotiations with the employers or with the government; and
- (4) policy decisions that involve the union focusing some of its resources on campaigning to mobilise its membership nationally or at the firm level, through demonstrations or other means of exercising pressure on the employer or the government.

In a recent article Bain and Taylor (2005) discuss some of the other gradations within the mobilisation process against overseas relocation, one highly visible element of globalisation. Their view of this as a spectrum of responses contingent on union mobilising potential, as shown in Figure 2, is helpful since it confirms our own analysis of union responses as occurring across a range of areas and being highly sensitive to the national and company-level context.

Figure 2: Potential Trade Union Opposition to Offshoring



Source: Bain and Taylor (2005).

The following analysis distinguishes trade union policies in terms of their two core objectives: the more local or focused concerns to defend workers' immediate interests, and the broader more general focus of providing longer-term alternatives.

Defending workers' immediate interests

Among the most evident consequences of globalisation in finance are the greater intensity of competition for market share, pressure to lower costs and to raise share values, and the readiness of new entrants from insurance and retailing to enter the sector. Globalisation has clearly driven changing forms of work organisation and its increasing intensity in ways that are often recognised by trade unions as involving a 'race to the bottom'. While the competitive effects are still largely experienced between banks within individual countries, the emergence of global banks such as HSBC and the patchy recourse to overseas relocation suggests that

international competition will become an increasing force in this area too. Opening hours have been systematically extended, with major effects on individual working time; payment systems have been increasingly individualised; and the bank worker-client relationship has been largely commodified with a weakening of commitment to a real public service. In surveys we carried out of both French and British bank union activists attending their union conferences in 2002 there was very considerable overlap as to which were the five major grievances their workplace constituents most regularly reported to them. After pay, as shown in Table 1, the high levels of grievances over stress, management attitudes, targets and staffing issues in France, coupled with the UNIFI concerns for performance, health and safety and appraisals, confirm acute and common problems related to work intensity in both the UK and France.

Table 1 Top 12 grievances reported to CFDT-Banques and UNIFI bank union activists, 2002

	UNIFI	CFDT	TOTAL
Respondents	88	84	172
Pay	42	41	83
Stress	22	42	64
Management attitudes	20	44	64
Targets	24	38	62
Staffing issues	26	35	61
Working patterns	16	42	58
Overtime	20	25	45
Grading	19	24	43
Performance	31	11	42
Health and safety	31	5	36
Appraisals	30	4	34
Bullying	15	17	32
TOTAL grievances reported	422	372	794

Source: Congress surveys conducted by the authors

Work intensity appears to have increased markedly while both unions have had increasing problems in defending employees' working conditions and rights. One link to the globalisation and liberalisation issue was made publicly by the CFDT-Banques when it called a national bank strike on the first day of the new euro currency on January 2 2002 in protest against physical insecurity, working conditions and low wages. Yet this had only limited effect. Strikes have actually remained a much more frequent occurrence in French than in UK banks, in part because minorities can take action without first winning a majority in a ballot as required under the British employment law introduced by Thatcher and still in place today. Thus in a employment relations system where minorities are

legally allowed to take strike action, many Crédit mutuel bank staff in Brittany went on strike on January 27 2004 against deteriorating working conditions. In part too, striking still plays a much more significant direct role in a negotiating process where the French individual employer (or local manager) often tends to be much more authoritarian in style. In the UK union officers threaten strikes and even resort to legal (and costly) strike ballots to add weight to their negotiating hand, but strikes are very rare.

Yet with the partial exception of a CFDT-Banque strike against restructuring (as at the Banque Populaire Centre Atlantique in May 2004), or threatened by UNIFI against outsourcing (as in November 2003 at both Lloyds TSB and HSBC), there is little evidence that either union systematically integrates their critiques of changing work practices and conditions to globalisation.

An integral part of globalisation, the spread of information technology and its more intensive exploitation is a significant determinant of the pace of change. As the ICFTU point out (2001: 17):

Technology ... also brings changes in work relations. More and more people are working at home or in call centres... Technology also facilitates the rapid flow of capital world-wide, making the global capital market a reality.

For bank workers the new technologies mean higher proportions working in call centres, and higher proportions potentially at risk from international job relocation. This latter process has only just started in UK finance, where UNIFI calculated that in banking and insurance there has been an increase from 200 to 5,000 jobs 'outsourced' overseas between 1996 and 2004 (UNIFI: 2003). But this could be an underestimate. Thus in 2003 Britain's fifth-largest bank, Lloyds TSB announced it was going to move 1,500 back-office processing jobs and claims, telephone help-line and sales positions to India for its Scottish Widows pension and general insurance businesses as 'a key part of our plans to ensure the success of our business'. Then in 2004 it decided to offshore a further 1,000 jobs.⁸

Yet there is also a need for perspective on this. In 2002 HSBC outsourced 3,000 jobs elsewhere within the UK compared with just 300 overseas. In June 2004 it announced 3,000 jobs losses while creating 550 jobs offshore.⁹ The biggest threat to union membership remains work intensification or work being contracted outside the bank or disappearing altogether rather than it being

⁸ The Scotsman, 15 February 2004; Unifi-AMICUS press release, 9 November 2004.

⁹ Unifi Negotiators' Guidance on Globalisation (2003), p 4; Unifi Press Release, June 15 2004.

done elsewhere in the world. The situation in France is different. Although some 8,000 French language call centre jobs have been created in Morocco, Tunisia, Senegal, the Mauritius islands and Rumania,¹⁰ French banks have not yet followed their British counterparts in offshoring. Perhaps they judge too narrow the margin between the expected two-thirds cost saving and the one-third lower productivity levels, or perhaps they more concerned about union mobilising capacity and state intervention against significantly higher levels of national unemployment?¹¹

The issue of offshoring is much more politically sensitive though than its current real volume suggests. This is because of the ease with which it lends itself to arguments based on xenophobia and racism. Thus a key issue in contemporary trade union debates on globalisation is how can job retention in Western Europe be defended without taking an imperialist or even racist stance and playing up xenophobia? (Bain and Taylor, 2005).

Unifi has been much more touched by overseas outsourcing than has the CFDT-Banques. Unifi's company committees in Barclays and HSBC have both produced their own programmes or 'Globalisation charters' and the union's national discussion paper also urges negotiators to address five key points. Table 2 provides an outline of the major policies proposed in the three programmes.

¹⁰ L'Expansion.com 26 May 2004.

¹¹ Pascal Junghans, *La Tribune, Mouvement pour une union nationale des consultants en informatique*, 5 Janvier 2004.

Table 2 Unifi sectional and national responses to outsourcing, 2003

	Policy level		
	Barclays	HSBC	National
Companies where the work is transferred to:			
<i>Should recognise trade unions</i>	Yes		
<i>Should pay upper quartile salaries</i>	Yes		
<i>Should establish joint forums to meet on a regular basis</i>			Yes
<i>Should commit to ethical employment practices</i>			Yes
<i>Should adopt the ICFTU, UNI and ETUC guidelines</i>		Yes	Yes
<i>Should adopted the Social Accountability SA 8000 for verification purposes</i>			
Companies outsourcing:			
<i>Should not declare compulsory redundancies</i>	Yes	Yes	Yes
<i>Should hold meaningful consultation at the 'concept stage'</i>			Yes
<i>Should provide a minimum 12 months notice of plans to 'globalise' UK jobs</i>		Yes	
<i>Should extend lifelong learning to all staff to enhance their employability</i>		Yes	Yes
The union:			
<i>Should play a greater role in international solidarity to combat the negative effects of globalisation</i>			Yes

The table reveals some of the tensions between union activists within the same union. There are those who wish to ensure that outsourcing abroad 'costs' the employers a great deal, while others see the long-term solution much more in terms of international solidarity or 'global organising', as the Unifi (2003) discussion paper on globalisation puts it.

Thus what does real international solidarity mean for banking unions in an increasingly global financial world? The CFDT-Banques union participates actively in UNI, the largest ICFTU trade secretariat, where its voice is heard directly rather than as

expressed through the ETUC where it is the centre-right led national CFDT Confederation that makes the political running. A CFDT-Banques executive member is Director of the UNI EUROPA Finance Committee. The CFDT-Banques also regularly publishes news articles extolling the virtues of international solidarity on its website, and it sent representatives to the second and third World Social Forum events in Porto Allegro in 2002 and 2003.

By contrast the Unifi response seems much more staid. It works solidly within UNI at both European and world levels, in 2003 sending representatives to UNI-EUROPA's youth steering group as well as to its World Women's Committee. Unifi's Deputy General Secretary Sandy Boyle is currently president of the UNI-EUROPA Finance Committee. Yet behind the formal participation the union has also taken a significant initiative. In January 2004 Unifi's general secretary, Ed Sweeney, wrote to UNI General Secretary Philip Jennings proposing to help directly finance the organisation of a 'Call Centre Union' in India. Unifi's commitment was to provide £30,000 to the international body for them to ensure an independent organising drive can take place. The logic is to act defensively and internationally at the same time. Sweeney wrote:¹²

I do think that if we are going to spend money on capacity building it needs to be spent in those areas where we have got a chance of making a real impact on the working lives of both those in our own country and those in the Developing World.

A significant flaw, however, with this effective and highly internationalist approach is that it has been given very little coverage within the union itself. Thus the initiative was given little or no publicity at the time within or outside of the union.

Another globalisation issue to which the unions are having to respond is the reality that French and British financial institutions are slowly becoming more concentrated. In 1992 the top five French banks controlled 59% of deposits, but by 2002 61% of all deposits were in the hands of just four retail banks, by when the top four UK banks controlled 73% of deposits (Moussy 1997: 30; Capgemini 2004: Figure 7). As concentration evolves the banks become even less accountable than they have been in the past to either their salaried staff or to the national democracies within which they have historically been rooted.

Both unions make occasional paper references in resolutions and on the Internet to the growing concentration in the sector – but usually only when banks are being merged or taken over. This reluctance to engage with the issue is understandable. Many of the bank workers we have interviewed have been particularly concerned by the threat

¹² Letter to Philip Jennings, 5 January 2004.

implicit in take-overs to the identity and wealth of the organisation they have largely contributed to building, as well as the threat to their skills and jobs. The UNIFI bi-monthly membership journal *Fusion* reported campaigns against the proposed 2001 Lloyds TSB merger with Abbey National (that was eventually rejected by the competition authority) as a threat of 20,000 jobs. Out of similar motives the CFDT-Banques joined all the other French banking unions in supporting the Crédit agricole take-over of Crédit lyonnais in 2003 on the condition that the two organisations retained their independence from each other. The issue of bank size itself is clearly a complex one for the unions to publicly discuss, since they feel they have to balance the interests of those members who feel some degree of relief when their employer appears more 'successful' with those who feel more insecure. Yet outside these 'crisis' moments there appear to be few public or educational statements by the two unions directly related to the growing concentration in the sector and the issues of democratic accountability and choice, both for customers and workers, that this poses.

Arguing for an alternative society

With globalisation the purpose of banking has evolved from what used to be considered by many bank staff as a (publicly or privately provided) service to the public to a much more narrowly defined commodity. Its value is increasingly measured in terms of narrow profits and share values rather than in terms of public goods or utility. Ed Sweeney, general secretary of the centre-left UK finance sector trade union UNIFI, commented critically on what has happened to the public service tradition in the UK:

I think it has gone entirely, you know. This is totally business, you know. The business organisations, I mean, they may nod occasionally to CSR, you know, corporate global social responsibility, but that's only because it's a bloody bad reputational risk if they don't do it. They know it's bad customer relations. I think there's one or two bleeding hearts that like to think that they're providing a service, but they're providing a service at a cost to the customer and at a profit to themselves and their shareholders because their MO, their single operating function is to make - is to enhance - shareholder value.

We (the union) still see it as a service. We still think that you know, I mean, in terms of serving society, there is a requirement for sensible, intelligent, well-funded, well-covered financial services systems.¹³

This UNIFI critique of a shift towards shareholder value to the exclusion of a serious public service duty is shared in France. In 1999, for example, another French bank trade union, the left-wing CGT-FNPSF, responded to the acquisition of the other major retail

¹³ Interview: 21 June 2004.

bank nationalised after the Second World War, Société générale, by BNP in similar terms:

« Les mouvements de concentration, fusion, absorption dans lesquels AXA et ALLIANZ jouent un rôle important sont marqués par des besoins de capitaux où le niveau de rémunération des actionnaires détermine la finalité des opérations. Ces opérations portent ainsi en germe la pression sur la masse salariale, la sélectivité de la clientèle et des activités. Elles posent avec plus d'acuité la question de l'emploi dans le secteur ainsi que leurs finalités économiques et sociales »¹⁴.

In both France and Britain the policy issue arising here is the defence of a public service culture against the narrow definition of shareholder value.

The much higher level of semi-public ownership and regulation of French banking, and the mounting challenge to this since the Socialist election defeat of 2002, has provided the CFDT-Banque with real challenges in the Banque de France, the Caisses d'Épargne and the Caisse des Dépôts et Consignations. In its 2003 mobilisation appeal, 'Bank of France: we absolutely must keep a public financial service', it spelled the logic out:

La sauvegarde de l'ensemble du service public financier doit être une priorité. Le gouvernement Raffarin doit s'astreindre à une lecture attentive et à un respect scrupuleux des engagements pris par le Président de la République visant à conforter la cohésion sociale et territoriale, qui fonde la cohésion nationale dont le Président est le garant. La conjonction des interventions diverses et des luttes déterminées des salariés permettra d'enrayer le processus de destruction mis en place pour maintenir un service financier public de proximité, de qualité qui serve l'économie réelle, l'emploi et une protection contre l'exclusion organisée.¹⁵

In Unifi, while as we have already seen public service remains an ideal for the general secretary, a 1998 conference policy called for the provision of banking services in poor areas from which banks have been retreating, and more recently Unifi has supported using the Post Office as a universal bank. In addition, recent campaigns challenging job losses have also increasingly sought to appeal to the public by stressing proximity services.

The role of national governments in the direct or indirect regulation of the economy and banking and in promoting social justice is also being challenged by globalisation. Everywhere a much lighter hand is being exercised over these matters and much World Trade Organisation, European Union and International Monetary Fund

¹⁴ Web statement address: cgt.societe.generale/confdd0605.htm

¹⁵ CFDT Banques, communiqué fédéral, mercredi 26 mars 2003.

policy seeks to keep things that way. This makes democratic national level political control considerably more difficult (although not impossible, as the 1999 rejection of the proposed highly neo-liberal OECD Multilateral Agreement on Investment suggested).

Yet the two banking unions have surprisingly little to say on the broader issue of state intervention. In France when the government-employer proposes public sector cuts the CFDT-Banques does protest and call for action. And in an interesting development, in December 2001, under the Socialist government, it supported the call by the CGT FNPSF-Banques for a debate on how the state could construct a 'financial pole' that would provide jobs and aid economic growth.¹⁶ But with the return of the French right to government in May-June 2002, the idea effectively disappeared from public view.

In contrast, Unifi has increasingly flagged up Corporate Social Responsibility as an issue, and in 2001 published a *Fusion* article on 'Human rights and Finance workers' in response to the Human Rights Act.¹⁷ This may be seen as an argument in favour of state intervention in general to protect human rights.

Nonetheless, neither union appears to be regularly making statements, or raising within their education programmes, let alone attempting to mobilise membership action concerning the weakening of the democratic process and the shift in power from the state and the European Union to international finance capital.

Finally, it is clear that the very heart of globalisation is international finance. Bank workers, of course, have first hand knowledge that for their employers the increased volume of transactions spells out business opportunities. Yet such heightened activity involves three sorts of problems for the unions running from the most political general level down to the local. At the overarching level there is the wider societal problem that such finance flows can limit democratic (national or European) control of economic life. As the ICFTU report (2001:15):

« La libre circulation des capitaux et des marchandises a mis en compétition les différents systèmes nationaux d'imposition. Ce faisant, elle a abouti à une importante érosion des revenus fiscaux et à la création d'un déficit social. Chaque pays subit des pressions pour aligner ses mesures sur le plus petit dénominateur commun ».

At a meso-level there is the problem that these huge financial flows increase the risk of workers' own employer being taken over or being involved in a merger, while at the firm level there is the

¹⁶ CGT-FNPSF press statement, 18 December 2001.

¹⁷ *Fusion*, Feb/March 2001: 13.

danger of irresponsible financial risk-taking, like that which led to the collapse of the giant Crédit Lyonnais bank in 1994-5.

The CFDT-Banques union federation was one of the founders in 1998 of the French ATTAC organisation that campaigns for the Tobin tax and for economic policies to counter neo-liberalism. Currently it is campaigning strongly via its website against a new European Directive implementing of the WTO's General Agreement on Trade in Services (GATS), the latest reincarnation of the OECD's MAI. It openly declares that 'it is opposed to the existing liberal world' and 'wishes to contribute with others in building an alternative'.¹⁸ Its 'international...Mondialisation' section is prominently featured in second place just below its 'Branch' section on the website's home page, and on July 14 2004 its front page editorial starts

Nul n'en doute, l'idéologie libérale est devenue dominante et cherche à imposer son organisation sur l'ensemble des compartiments de la société...

Opposé au totalitarisme et au capitalisme

*Depuis des années nous militons pour un autre modèle de société.*¹⁹

The CFDT-Banques federation as one of the few remaining explicitly left-wing led unions still within the centre-right CFDT Confederation pins it colours clearly to its mast.²⁰ At the first UNI World Conference in August 2002 its then general secretary, Bernard Dufil, moved a successful resolution in support of the Tobin Tax.²¹

While Unifi issued a press release welcoming the introduction of a Tobin Tax in Belgium in July 2004,²² its criticisms of financial neo-liberalism have been less severe. It published a brief discussion document in February 2003 that was distributed to officers and activists. This recognises that 'the finance sector has been instrumental in advancing the globalisation process'. But it distances itself from any major criticism of contemporary finance capital by putting a systemic criticism into the mouths of 'anti-globalisation campaigners' who 'define the process as a world-wide drive towards a global economic system dominated by supranational corporate trade and banking institutions that are not accountable to democratic bodies'. It questions 'the short-termism of many financial market speculative decisions made in recent years' and calls for globalisation to be 'about sustainable development and

¹⁸ www.cfdt-banques.org/article.php3?id_article=622

¹⁹ <http://www.cfdt-banques.fr/>

²⁰ The CGT's much smaller union in the banking sector, the *Fédération Nationale des Personnels des Secteurs Financiers - Banques*, has an equally left voice within the sector but at the Confederal level is much further to the left.

²¹ UNI (Union Network International) was founded in January 2000.

²² UNIFI welcomes Tobin Tax Introduction in Belgium, 02/07/2004

long-term planning' (Unifi 2003:1,4). In similar vein, in *Fusion* it occasionally raises questions about 'the logic of the market and shareholder value',²³ or criticises excessive executive wages.²⁴ Yet, perhaps in recognition of the centre-right politics of a large section of its membership, the union tends to back away from making available to its members a full critical analysis of the economic and political mechanisms at the heart of these phenomena. Confirming the lack of focus on this issue among its activists the Union was forced to postpone its first one day education school on globalisation and the finance sector proposed for December 2004.

3. Comparing responses

European banks are major carriers of the globalisation process. They experience pressures to secure an optimal size for maximum profitability and shareholder value via take-overs, mergers and down-sizing; from this it follows they give a new priority to profit-making commercial as opposed to public service activities. In their search for profits new technology is used not only via out-sourcing to lower labour costs but also to transform relationships with their users; and as the labour process changes so bank industrial relations have evolved from forms of bureaucratic paternalism to variations of mixes of 'soft' and 'hard' human resource management.

Our analysis of selected responses of the two largest bank sector trade unions in France and the UK to these developments has revealed some interesting contrasts. These reflect both the political and historic contexts of the different trade union movements in the two countries, and the different organisational reach of the two trade unions. The analysis also suggests that many of the public policy issues being thrown at both unions still do not get any significant response at all. Table 3 provides a rough sketch of those responses we have been able to identify.

²³ *Fusion*, April/May 2001: 13.

²⁴ *Fusion*, 17, 2002: 16-7.

**Table 3 Sketch summary of selected CFDT Banque and Unifi
AMICUS policies on globalisation issues, 2002-4**

Issue	Policy		Action	
	Paper	Publicity	Education	Negotiation / mobilisation
Global finance capital	CFDT	CFDT	Unifi (?)	
Public service banking	Unifi	CFDT		CFDT
Banking concentration				
State intervention				
Challenging work intensity				CFDT Unifi
Responding to outsourcing				Unifi
International solidarity	Unifi	CFDT	Unifi	Unifi

Several points stand out from what must be acknowledged is an heuristic table. First, that the numerically larger Unifi trade union appears to be more active on the ground than is the CFDT-Banques. This could well reflect the greater internationalisation of the British banking scene, and its greater progress down the road to neo-liberalism. There may be more negotiating opportunities when the issues of outsourcing are discussed, and international solidarity might have moved up the action agenda because there was nothing left to do.

A second reflection is that the CFDT-Banques appears to use its website much more, or to a greater effect, than does Unifi. This may be because resources do not permit the French union to print out glossy brochures for their activists and many fewer members; maintaining and developing a campaigning website might be much more cost effective. Unifi, by contrast, appears to set much greater store by letting a few organisers carry the line by negotiating.

A third observation is that the CFDT-Banques union appears much more comfortable on the issues related to the political economy of capitalism than is Unifi.²⁵ This in turn is in part a reflection of the lower level of general political debate in the UK, but it also reflects the particular politicisation process that sooner or later embraces all

²⁵ Several of the activists we interviewed at the CFDT-Banques congress in 2002, for example, had joined the union in the 1970s when the Confederation supported workers' control, and had always been more focused on political economy than had the somewhat younger and less left-wing activists in UNIFI.

French trade unionists who join a confederation, namely the need to hone up and identify with the political space occupied by the national and sectoral union (Jefferys 2003).

Another point to note is the relatively weak follow-through observed in terms of union education on all facets of globalisation. This may be because we did not have sufficiently detailed access to the two unions' education programmes, or perhaps because we have misinterpreted some of the education issues we have come across. However, since it is generally through formal (and of course informal) union education that activists develop their specific union 'cultures', these tentative findings do suggest that there is quite a substantial backlog for the unions to make up to ensure that the policies they are adopting are communicated fully and understood by those who ultimately mobilise around them.

4. Conclusion

What can we learn from this comparison? First, it is clear that many activists are engaged in articulating traditional union objectives in the light of the new conditions. Policies are beginning to be discussed at different levels in the unions. Second, these responses are still partial and tentative. Broader, more consistent strategies will have to be developed to more fully respond to all the policy strands globalisation touches.

Then, and this is perhaps the most important point, we can see that key activists in both unions are actively grappling with the insider-outsider tension in an effort to avoid narrow xenophobia. In their different ways and different contexts, activists within both bank unions are attempting to offer opposition both to the dominant neo-liberal shareholder ethos and to racist and xenophobic attempts to divide and disorientate workers. Neither union in all honesty can claim to have as yet embarked on mass campaigning to win over their membership and other workers to opposing neo-liberalism, although the CFDT-Banques has gone further. Even among these union leaderships, opposition to the neo-liberal project of increasing inequality through rolling back the state, reducing regulation and allowing unrestrained profit maximisation, has still not yet developed into a clear alternative vision. But elements of that new world are clear, and for both unions it will be based on solidarity and social justice. In various ways and with varying degrees of effectiveness, both unions stress the need for greater democratic control over economic life, for greater individual control over people's lives, for better more accessible public services and for sustainable development throughout the world.

This is an important conclusion. It suggests that Hurtgen's (2003) contrast of 'political' French and 'managerial' German unions should not be read directly across to French and British unions. Despite the CFDT-Banques being on the left of the French union scene, and Unifi-AMICUS being on the centre of the British, the two unions remain independent of management and are still capable of mobilising members around them in directions that counter globalisation. Up until as recently as 20-30 years ago Western European trade unions were almost entirely in the forefront of protectionist and anti-foreigner movements (Martens 1999), yet the responses of these unions represent a break from that past. In this sector, in these two countries, the bank unions have visions linking the interests of workers in their countries to those of workers in India or Morocco. They still link the immediate defence of workers' interests to the construction of a longer-term alternative. This study thus confirms the potential for unions to play a positive and progressive role with others in trying to build a world in which unlimited and undemocratic financial power is called to account.

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