

TRADE UNION RESPONSES TO GLOBALIZATION

A review by the Global Union Research Network

Edited by Verena Schmidt

INTERNATIONAL LABOUR OFFICE • GENEVA

GLOBAL UNION RESEARCH NETWORK

Copyright © International Labour Organization 2007
First published 2007

Publications of the International Labour Office enjoy copyright under Protocol 2 of the Universal Copyright Convention. Nevertheless, short excerpts from them may be reproduced without authorization, on condition that the source is indicated. For rights of reproduction or translation, application should be made to the Publications Bureau (Rights and Permissions), International Labour Office, CH-1211 Geneva 22, Switzerland, or by email: pubdroit@ilo.org. The International Labour Office welcomes such applications.

Libraries, institutions and other users registered in the United Kingdom with the Copyright Licensing Agency, 90 Tottenham Court Road, London W1T 4LP [Fax: (+44) (0)20 7631 5500; email: cla@cla.co.uk], in the United States with the Copyright Clearance Center, 222 Rosewood Drive, Danvers, MA 01923 [Fax: (+1) (978) 750 4470; email: info@copyright.com] or in other countries with associated Reproduction Rights Organizations, may make photocopies in accordance with the licences issued to them for this purpose.

V. Schmidt (ed.)

Trade union responses to globalization: A review by the Global Union Research Network
Geneva, International Labour Office, 2007

Globalization, multinational enterprise, workers rights, trade union rights, trade union role, international trade union, developed countries, developing countries
03.02.3

ISBN 978-92-2-119860-4

ILO Cataloguing in Publication Data

The designations employed in ILO publications, which are in conformity with United Nations practice, and the presentation of material therein do not imply the expression of any opinion whatsoever on the part of the International Labour Office concerning the legal status of any country, area or territory or of its authorities, or concerning the delimitation of its frontiers.

The responsibility for opinions expressed in signed articles, studies and other contributions rests solely with their authors, and publication does not constitute an endorsement by the International Labour Office of the opinions expressed in them.

Reference to names of firms and commercial products and processes does not imply their endorsement by the International Labour Office, and any failure to mention a particular firm, commercial product or process is not a sign of disapproval.

ILO publications can be obtained through major booksellers or ILO local offices in many countries, or direct from ILO Publications, International Labour Office, CH-1211 Geneva 22, Switzerland. Catalogues or lists of new publications are available free of charge from the above address or by email: pubvente@ilo.org

Visit our website: www.ilo.org/publns

CONCLUSION

*Verena Schmidt
Bureau for Workers' Activities, ILO, Geneva*

The issues discussed in this publication show that the labour movement is developing creative responses to react to the complex impact of globalization. Trade unions have increasingly enlarged their agenda to include issues such as engaging with international organizations to influence their policies. Due to the growing power of multinational companies, trade unions are also involved in international social dialogue through IFAs, organizing global campaigns as well as extending and deepening their cooperation at the transnational level. There are three common themes which emanate from the present book as important trade union responses to globalization, firstly the need for enlarging the trade union agenda, secondly the role of network and alliance building and thirdly the role of the ILO and labour standards in achieving a fair globalization.

Enlarging the trade union agenda

The international trade union movement has recently focused on a number of emerging themes to respond to the challenges of globalization. Besides the institutional involvement of the ITUC within the ILO and TUAC in the OECD, the global unions (consisting of the ITUC, GUFs and TUAC) are engaging with the large international organizations such as IMF, the World Bank Group, the United Nations and their programmes and funds, WHO and WTO to influence their rules and regulations with view to achieving a fair globalization.

The ITUC is actively involved in influencing the ongoing WTO negotiations beyond labour provisions in trade agreements, demanding that developing countries are not to be pressured into making disproportionate tariff reductions which would seriously affect their industrial development and

employment, or take up other commitments that would undermine or hamper their development. TUAC and its affiliates are negotiating to influence the OECD and the G8 to change the corporate governance system with a view to ensuring good corporate governance and accountability, wider market integrity and global markets balanced by an effective social dimension.

The global unions have worked hard on procurement standards as one important way to implement core labour standards. They have done this by firstly influencing the World Bank's procurement policy and secondly by engaging in campaigns on World Bank financed activities, including procurement standards.

Since the late 1990s, global union leaders have lobbied for inclusion of the ILO core labour standards in World Bank lending and procurement practices. Since May 2006 the International Finance Corporation (IFC) has required that all enterprises borrowing from the IFC abide by the core labour standards. In December 2006 the World Bank announced that it would extend the core labour standards requirement to public works projects financed by the International Bank for Reconstruction and Development and the International Development Association. The bank started including the core labour standards requirement in its procurement contracts in May 2007. In a second stage, the World Bank will promote the incorporation of the new core labour standards requirements into the harmonized basic Standard Bidding Document for Procurement of Works used by all regional development banks. The inclusion of rights in World Bank lending and procurement has engendered a lot of international attention and is linked to the more general question of how government and policies can limit the externalities of private sector practices and ensure that they promote general public goods. It is therefore crucial to build up a coherent framework between the ILO and the World Bank group (starting from the ILO supervisory system), since it is clear that any judgement on implementation of core labour standards can only be decided by the ILO.

Regarding the procurement for the Olympics 2008, the ITUC, ITGLWF and the Clean Clothes Campaign have embarked on the PlayFair 2008 campaign which calls on the International Olympic Committee (IOC) to enter concrete discussions on the IOC's responsibilities to ensure respect for workers' rights in the production of all Olympics merchandise. BWI, in partnership with European and global trade unions and NGOs, launched a campaign in 2007 on "Decent Work in Football". The campaign mobilizes for decent working conditions from the construction phase onwards for the companies contracted to build and/or renovate football stadiums for the football world championship 2010 in South Africa.

International framework agreements between companies and unions are another important tool for the protection of workers' rights and the effective

implementation of labour standards. IFAs provide a practical example of international solidarity and can be seen as a platform for better social dialogue and organizing. They are also a tool in building alliances among unions in the North and South.

Building networks and alliances

Building networks between trade unions along global production systems is an example of transnational cooperation. The production of goods and services is not only ever more dispersed but also more coordinated by international producers, buyers and retailers. Unions have to deal with sophisticated and often anti-union human resource management strategies at a local level within global production systems. They also face the question of how to respond to more difficult representational situations as a result of sourcing decisions. However, the concept of value chains also presents some opportunities for labour. To benefit from these opportunities, unions try to develop strategies with a view to organizing and to bargaining collectively along the value chains. Organizing along supply chains could be a way to focus efforts and move beyond existing North–South cooperation arrangements.

However, one potential conflict of interest exists between workers of the global North and the global South when it comes to offshoring and outsourcing. Indeed, there is a need for active labour market strategies in the global North to avoid workers in the North bearing the cost for outsourcing. It is also important to stop a race to the bottom especially between countries of the global South. Here, the ILO has an important role to play.

The enlarged agenda of trade unions requires a closer alliance with other civil society groups. This was already acknowledged in 2000 by the ICFTU at their World Congress in Durban (ICFTU, 2000). By proactively organizing women and increasing the proportion of women in trade unions the organizational culture of many trade unions has changed. Union feminists, with their strong ties in trade unions and the women's movement, have played an important role in mediating between the different organizational cultures of trade unions and NGOs. Changes in the organizational culture are beneficial for including other underrepresented groups within trade unions, such as migrant and ethnic minority workers and those with different sexual orientations, which will encourage diversity and push changes in organizational culture still further.

Cooperation between trade unions and other civil society groups is, of course, not always harmonious and does not always result in positive outcomes. As the above-mentioned ICFTU decision emphasizes, one important prerequisite for constructive cooperation between NGOs and trade unions is that

NGOs understand the unique role of trade unions as mass organizations which represent workers (ICFTU, 2000).

The role of the ILO and of international labour standards

International labour standards are an important campaign tool to improve working conditions. However, it is not enough to refer to international labour standards in relation to trade. The assumption that trade supports development needs to be continually questioned. The opportunity costs of international trade need to be carefully checked against the advantages it may bring.

While core labour standards must be respected in all member States of the ILO¹ regardless of whether they have been ratified by the countries, the ILO's *Application of International Labour Standards* (ILO, 2007) and the ICFTU's *Annual Survey of Violations of Trade Union Rights* (ICFTU, 2006) show that the reality is very different. The international labour movement is mobilizing the international community to put pressure on those countries which do not respect the core Conventions to make the necessary changes. At the same time, as the core labour standards refer only to fundamental rights at work, the international labour movement continues to struggle for the promotion, ratification and implementation of international labour standards beyond the core Conventions.

The ILO is working towards codifying the Decent Work Agenda – hence emphasizing the importance of standards in areas such as occupational safety and health, social security, wages, work and family and labour inspection. This is encouraged and supported by the international labour movement. Also, the Decent Work Agenda is being further realized through the Decent Work Country Programmes which need to be built around core labour standards as well as the areas mentioned above.

The international trade union movement has recently addressed other important new areas. One such topic is the negative impact of private equity and hedge funds. The global unions are calling for governments and international agencies to ensure proper regulation, taxation and transparency concerning the activities of private equity and hedge funds.

This book has shown various examples of how trade unionists have improved the situation of workers by enlarging the agenda and cooperation at international, transnational and national levels, as well as through their alliance building with other civil society groups. All changes and new ideas were

¹ On 31 August 2007 the ILO had 181 member States.

met with scepticism and resistance by some as would be the case for the implementation of changes in any organization. However, the challenges of globalization can only be met if the trade union movement continues to address new issues and change its organizational structures accordingly.

The promotion and implementation of international labour standards is one important tool to achieve a fair globalization. A strong and unified trade union movement, with a vision of social justice for all, coherent concepts for social and economic policy, effective collective bargaining and a modern and inclusive form of trade union structures, is a key factor in achieving this objective.

References

- ICFTU (International Confederation of Free Trade Unions). 2000. Congress Statement on Trade Unions, NGOs and Tripartism. 17th ICFTU World Congress, 3–7 Apr., Durban, South Africa. 17GA/ 8.13 (final).
- . 2006. *Annual Survey of Violations of Trade Union Rights* (Geneva).
- ILO. 2007. *Application of International Labour Standards 2007 (I)*. Report of the Committee of Experts of the Application of Conventions and Recommendations. International Labour Conference, 96th Session.