



International Trade Union Movement: Mergers and Contradictions

by Rudolf Traub-Merz and Jürgen Eckl

In early November 2006, 1700 delegates from 156 countries met in Vienna for an event unprecedented in the history of the international trade union movement. They dissolved two globally operating and competing international confederations – the *International Confederation of Free Trade Unions-ICFTU* and the denominationally oriented *World Confederation of Labour-WCL* – and founded the *International Trade Union Confederation-ITUC*, comprising 304 affiliated federations in 156 countries in which 168 million workers are organised across the world. Congress delegates were firmly convinced that the globalisation of political institutions and the globalisation of business and markets must be followed by the globalisation of trade unions.

1. The birth of the United Trade Union International ITUC

And while business gains strength through competition, workers benefit from organisational cohesion. Globalisation of trade unionism stands for presence across the globe as well as speaking with a single voice. Delegates at the Vienna Congress were correspondingly jubilant.

In the words of ITUC Secretary General Guy Ryder, this merger is eminently important: „There is a real weight of responsibility and of history on our shoulders. Together, united, strong, the ITUC will play its part in building social justice, freedom, equality and peace – the ideals that brought us this far and will take us forward together much further.“

2. Ending almost 100 years of division

The history of international trade unionism has so far been marked by long periods of division and adversity. Disregarding the short-lived

existence of the *International Workingmen's Association-IWA* founded under the leadership of Karl Marx (First International, 1864-1876) which fell victim to the ideological battle between Marx and Bakunin, cross-border alliances of workers followed two separate lines of development from the start. International federations were initially formed at trade and occupational levels and at the eve of World War I, 33 *International Trade Secretariats-ITS* had been established. Although craft unionism was soon replaced by industrial groups unionism in many countries (in Western and Central Europe around 1900, in the USA from the 1930s onwards), industrial unions kept their original names (misnomer ITS) for a long time. It was only in 2002 that the 10 trade secretariats which had been left following consolidation changed their names and started to call themselves *Global Union Federations-GUFs*. The change of name was the result of new lines of work; nowadays the GUFs are concerned with the introduction of minimum social standards in multinational

corporations in order to gain negotiating status as a trade union body for themselves.

A second line of international trade union development is related to the building of global federations for national trade union centres. As lobbying structures at the centre with a focus on influencing State and government policies rather than engaging in the day-to-day trade union struggle at the shopfloor and the workplace, these confederations were a great deal more susceptible to the development of adversarial attitudes along ideological lines or global political camps.

The first International representing national trade union centres was set up in 1913 (*International Federation of Trade Unions-IFTU*). The IFTU, from a social-democratic and socialist background, was fiercely competing with the *Red Trade Union International* founded in 1921, which emerged in the wake of the Russian October Revolution under communist influence and existed up to 1937. From 1920 onwards, a third competing force developed in the form of the denominationally-oriented *International Federation of Christian Trade Unions-IFCTU*.

There was some rapprochement between the three union Internationals in the struggle against fascism and the formation of a single united trade union International appeared to be a feasible option after World War II. The *World Federation of Trade Unions-WFTU* was set up in 1945, but at the last minute the Christian federations opted out. The almost united International functioned only up to 1949 when it fell victim to the Cold War which started around the time. Under the leadership of the Soviet state-run trade unions the WFTU was transformed into the new Communist International while the federations with social-democratic and socialist orientation left and set up the *International Confederation of Free Trade Unions-ICFTU*. Given the confrontation between the superpowers USA and USSR, competition between the systems overshadowed international trade union policies in many instances from then on.

A genuinely new development took place only when the communist power bloc fell apart. The WFTU lost members on a massive scale and at present survives as an insignificant platform

for some „class-oriented“ union fragments with the Cuban union federation as their standard-bearer. The ICFTU - with the Christian federation increasingly acting as its junior partner – emerged the undisputed victor in this political battle. Yet given the decline in membership and dwindling financial resources the two organisations gradually realised that to fend off the advance of economic liberalism and globalisation of business on separate ways was not really a promising option for either of them.

The amalgamation of the ICFTU and WCL in Vienna – when it transformed into a multi-denominational organisation the *International Federation of Christian Trade Unions-IFCTU* had changed its name to *World Confederation of Labour* in 1982 – put in place a united International of national trade union centres for the first time. Its organisational unity is based on the understanding that it combines all ideological and socio-political orientations under the motto of being global and unitary as well as pluralist.

The declaration of principle in the ITUC constitution states the following: „Unitary and pluralist, the Confederation is open to affiliation by democratic, independent and representative trade union centres, respecting their autonomy and the diversity of their sources of inspiration and their organisational forms.“

For the first time ideological and denominational criteria defining membership are no longer applicable – and unity is founded on non-partisanship.

3. Unity at regional and national levels as well?

The amalgamation of the two world confederations makes divisions at regional level redundant. As early as 2007 it is planned to hold founding congresses for the regional structures of ICFTU and WCL. In the Americas, ITUC-ORIT and CLAT plan to merge, in Asia ITUC-APRO and BATU and in Africa ITUC-AFRO and DOAWTU follow suit. Considerable problems still stand in the way. Different trade union cultures will be brought together and jurisdictional response-

bilities do not always coincide. This applies especially to Latin America where opposition to the amalgamation continues to prevail amongst the CLAT, in particular. Yet at the same time a large number of important and hitherto independent organisations from the region could be won over in favour of the amalgamation process.

In addition, tensions arise since regional trade union forces seek to use this major organisational reform to gain ground vis-à-vis head office, while the ITUC in Brussels – as the ICFTU previously – is keen to curb again the level of autonomy in project acquisition and allocation of resources which had been granted in the past, leaving a greater measure of control to the main structure. Moreover, regional sub-structures need to agree on administrative structures and electoral procedures, negotiate where the new organisation is to be based and consensually appoint staff to positions. However, since the central bodies arrived at a consensus in these matters, there is no reason to assume that it cannot be achieved at the regional level either.

Nevertheless, the foundation of the ITUC is supposed to be more than merely a merger between formerly separate groupings. Along with it comes the expectation that (hitherto) separate union organisations might affiliate, thus adding to the overall level of representativeness, legitimacy and negotiating clout. Some national federations which had maintained their distance towards the two predecessor organisations did, in fact, join immediately after the Founding Congress; they include the French CGT, the Colombian national centre CUT, the Argentinean CTA, the Polish OPZZ and GEFONT from Nepal. Other formerly non-aligned communist trade unions might be expected to join which will add to the organisational gains.

The end of the ideological dispute at the international level might even bring together some previously hostile federations at the national level. There are ongoing negotiations for amalgamation in various countries – mainly several small organisations against one dominating big one, for example in South Africa (Fedusa, Nactu and Consawu, yet not COSATU) and Brazil (CGT and the Christian CAT with parts of Forca Sindical, yet not

CUT), while the three major national centres in Pakistan amalgamated to form the *Pakistan Workers' Federation*. In South Korea, company-based trade unions merged at industry level to increase their negotiating clout and the metal and transport sectors have already made considerable progress in the development of industry-wide trade unions.

In view of this new trend of overcoming fragmentation and regaining negotiating clout through organisational strength, many are appalled to see the US labour movement moving in a different direction. The merger between the *American Federation of Labor-AFL* and the *Congress of Industrial Organizations-CIO* worked well for 50 years before seven major trade unions with 6m members broke away in August 2005 to form the *Change to Win Federation-CTW*. The separation not only meant a huge loss of revenues for the AFL-CIO since their membership was cut by approximately one third. It also gave rise to fears that the rivalling groups might now apply hostile organizing strategies to attract members of the respective other organisation and in so doing paralyse one another politically. Yet the CTW has strictly acted within its jurisdictional boundaries so far and peaceful competition between the two might even revitalise the American labour movement which had been languishing in the last two decades (cp. Richard W. Hurd, *Dueling Federations: U.S. Labor in 2006*. FES-Fokus Amerika, no. 6, 2006).

The Chinese trade union issue is the big question mark. With approximately 150m members the *All-China Federation of Trade Unions-ACFTU* on its own has almost as many members as the ITUC overall. It cannot be excluded altogether that a new rivalling trade union power might develop at the international level in the process. As long as the ACFTU is kept under political control and tutelage, it may be susceptible to foreign-policy directives from the Chinese Government and be prepared to use its international contacts to other unions to build a new international alliance. Africa, especially the cooperation with the *Organisation of African Trade Union Unity-OATUU*, might become the test case in this context. Opinions are correspondingly divided. While the ITUC does not recognise the ACFTU as an independent trade union and therefore keeps its

distance, others, including several GUFs, are actively engaged in China in the hope that the ACFTU might gradually cut its close ties to the government and transform itself into a genuinely autonomous trade union body representing Chinese labour. The election or failure to elect a Chinese delegate to the Workers' Group in the Governing Council of the *International Labour Organisation-ILO* in 2008 might determine the course in this important issue.

4. ITUC and ETUC in parallel – will Europe keep its special role?

The *European Trade Union Confederation-ETUC*, geographically oriented towards the European Union, has been autonomous since its foundation in 1973 and originally caused the ICFTU to dissolve its European regional organisation ICFTU-ERO. The dualism that ensued was due to the fact that national trade unions in the European countries maintained their membership in the ICFTU. While the top-level organisation has regional structures in Asia (ICFTU-APRO), Africa (ICFTU-AFRO) and America (ICFTU-ORIT), an independent regional organisation has developed in one of the core regions.

The ETUC explains its special role by referring to the EU's unique situation: „We negotiate autonomously working conditions for tens of millions of workers. Ours is practical work. We are creating a European space for negotiating...“ (John Monks, ETUC Secretary General, speech at the ITUC Founding Congress).

European integration has created a special institutional framework which a purely regional organisation, politically integrated into the ICFTU, might have found difficult to cope with. Moreover, the ETUC's autonomy provided WCL members and communist organisations, including the Italian CGIL, the Spanish CC.OO., the Portuguese CGTP and finally the French CGT, with the opportunity to affiliate and in the late 1970s already helped to reduce the division of the labour movement in Europe, which was finally overcome in the 1990s long before the global level followed suit in 2006.

Between 60% and 80% of the revenues of the ETUC do not come from membership dues but are derived from project funding of the EU Commission. It was only in cooperation with the ETUC that the ICFTU had, and the ITUC now has direct access to EU funds. The European affiliates pay full membership dues to both organisations, but dues to the ICFTU/ITUC are generally higher owing to various solidarity supplements.

Organisational autonomy necessitated a division of labour which repeatedly called for difficult compromises - especially on issues affecting European foreign-trade interests - between an ETUC with a more protectionist profile and an ICFTU bound to solidarity with trade unions from developing countries. Even the dispute over the Economic Partnership Agreements (EPAs) between EU and ACP countries initially looked like a repetition of this, but meanwhile the ITUC and the ETUC together with the ACP trade unions have attempted to develop a common platform.

The Founding Congress of the ITUC initiated another reform in this context which might bring new momentum for the occasionally strained relationship between European and global trade union structures. The *Pan-European Regional Council-PERC* was set up at its Founding Assembly in Rome on 19 March 2007. The ITUC has finally given itself a European regional organisation stretching from Lisbon to Vladivostok. Pressure to do so came from the Eastern European trade unions, above all the FNPR-Russia, which are not represented in the EU-oriented ETUC and had no Europe-wide regional representation prior to that.

Yet the ETUC will not dissolve itself as a result; indeed two European centres exist from now on and despite close links between personnel need to coordinate their activities in a difficult process of sharing responsibilities between them. The ETUC continues to concentrate on EU-related matters and the ITUC-PERC addresses aspects of importance to Europe as a whole. The search for a solution to the resulting jurisdictional problems has produced a salutary formula: for a transitional yet open-ended period of time the ETUC Secretary General will serve as the Secretary General of the ITUC-PERC in parallel.

Simultaneously, a „gentlemen’s agreement“ has been reached to the effect that the PERC President, currently the President of FNPR-Russia, should come from a non-EU country. Whether this is a tenable construction only time – and practice – will tell.

5. Mergers amongst the GUFs as well?

In the wake of large-scale mergers amongst German trade unions resulting in the foundation of Ver.di, IGBCE and IGBAU amongst others, discussions ensued about whether the GUFs should merge as well. The need to merge is particularly pressing for some Internationals given their limited financial resources. They are simply too small for financially sound operations as autonomous organisations offering solidarity. Correspondingly, the arguments in favour of mergers are strongly inspired by the hope for cost reductions. This would seem feasible if office and personnel infrastructure is shared worldwide.

Two of the big ones, the *International Metalworkers’ Federation-IMF* and the *Union Network International-UNI* for the service sector may serve as a kind of „docking station“. It is quite conceivable that one large global industrial union develops as a single manufacturing GUF, grouping together the IMF, the *International of Chemical, Energy and Mineworkers-ICEM*, the small Textile Workers’ International ITGLWF and possibly the *Building and Wood Workers’ International-BWI*. A working group arrangement may test the viability of such a structure. It is also conceivable that smaller GUFs will find a place under the roof of UNI soon. Time is running short for the Textile Workers’ International: it intends to give up its autonomy by the end of 2009 and is looking for suitable partners at the moment.

In addition to the merger debate, most GUFs have a „Europe problem“ of their own. In essence, they reproduce the contradiction between the representation of European interests and global demands for solidarity within their own ranks. The *European Metalworkers’ Federation-EMF*, for example, is not affiliated to the *International Metalworkers’ Federation-IMF* and there is almost no cooperation

between them. The EMF focus is still very much linked to the interests of its large national affiliates and major contributors, and the same applies to its European sister organisations.

Given voluntary affiliation, hierarchical „super“-structures are relevant to international trade union policy-making to a limited extent only. Consequently, the ability to act always depends on successful consensus-building. The same applies to the relationship between the international organisations themselves. Sanctions can usually be imposed only if strict constitutional requirements are met because affiliation, unlike in the Soviet model, is not compulsory. The only option left is the withdrawal of funds, but there are limits to that, too, not only in Europe. Even if coordinating functions are delegated to a „higher“ level, their success still depends on the willingness to be coordinated.

6. Cooperation ITUC – GUFs: the establishment of the Council of Global Unions!

The Founding Congress in Vienna decided in favour of another organisational reform, notably the establishment of the *Council of Global Unions-CGU*, in response to the fact that federations of branches and federations of national centres often act independently from one another. The *Council of Global Unions* comprises the 10 sectoral Internationals of the GUFs, the ITUC and the TUAC, the *Trade Union Advisory Council at the OECD*. While only the GUFs met for informal consultations previously, the ITUC and the TUAC are now party to the procedure. However, the idea is not only to have more participants involved in the *Global Union Council*, but to set up a more binding framework for coordinated efforts. It is planned, for example, to introduce procedural rules for the annual conference and to establish an elected coordinating committee which determines the general course of action. Even more importantly, a budget will be adopted for funding campaigns to be agreed on collectively and to which everyone contributes. A new position will be created to run the office so that the Council has a small secretariat to support it.

It was the extent of administration involved that provoked criticism from some GUF representatives anxious to preserve their autonomy. In fact, the *International Metalworkers' Federation-IMF* stayed away from consultations altogether on the grounds that it was a process focussed on structures without paying adequate attention to matters of content, in the words of IMF Secretary General Marcello Malentacchi. He refused to ratify the agreement accordingly and took part in the founding meeting of the Council on 9/10 January 2007 as observer only.

Given the level of opposition, quick consent to more joint commitments was out of the question. The budget to fund current operations of the joint liaison offices in Washington and Hong Kong still comes from voluntary contributions in 2007. Binding budgetary rules are planned to be in place by next year.

What really matters is the fact that cooperation, which formerly took place in an unstructured manner has now been replaced by a permanent process of coordination. And this is indispensable given the many cases of project repetition and duplication of work. For example, almost every GUF runs its own HIV project in Africa without any coordination with sister organisations. The fact that it will be difficult to run campaigns such as the agreed World Action Day without close cooperation should be obvious to everyone concerned.

The annual action programme and its funding, and especially the development of a common position towards the Chinese ACFTU will demonstrate whether the *Global Council* is able to decide consensually or not. At that point, the Council will have to strike a new balance, or agree to a sensible form of coexistence, between the GUF's interests which are clearly focussed on transnational enterprises on the one hand and the ITUC's global governance perspective on the other.

7. What is the attitude of the International Solidarity Support Organisations?

Fragmented, without global orientation, committed to an agenda of their own is how

the ITUC describes the current support programmes for trade unions. It is certainly a fact that funds for international trade union support do not primarily come from membership dues and they are not centrally administered by international trade union federations either. Disregarding the latter, ministries in charge of development aid pursue their own national priorities and make available project funding to be used by *Solidarity Support Organisations-SSOs* for national and frequently bilateral cooperation. And while the actions taken may make a great deal of sense to each donor individually, the total sum of support measures will not necessarily reflect a trend which is politically sustainable.

And this is what the ITUC plans to change! The Founding Assembly made a statutory commitment to come up with a coherent global strategy of development cooperation.

It is a Herculean task. No agreement has yet been reached on how to prioritise trade union projects to be implemented in what country and area with what type of organisations. And this is what the ITUC intends to do. According to its own estimate some 200 out of the total number of 304 affiliates are in need of international support – which it now plans to coordinate. A great many things are still lacking for coordinated action: shared benchmarks, a monitoring mechanism and a procedure for measuring results are all non-existent. And the idea of contributions from national sources to be paid into a common fund for the ITUC to finance the costs of solidarity campaigns appears Utopian for the time being.

The ITUC's request for coordinated action therefore comes in the shape of a „light“ version. Global task forces are set up together with the SSOs to formulate principles governing major thematic areas. The *Council of Global Unions* will then revise them and eventually adopt them as a common policy guideline. In the wake of the merger, specific tasks will be assigned to the ITUC regional organisations. Together with the various stakeholders, they are expected to prepare country surveys which analyse existing shortcomings of the national trade unions and identify the main areas for support programmes. This would provide a platform enabling the various

stakeholders to access information and to either delimitate or coordinate their projects. Participation is voluntary – in fact, apart from moral persuasion no other mechanism appears conceivable which might persuade individual donors to change their project approach and move from areas with excessive support to those lacking in support.

Provided the ITUC organises straightforward consultations and the regional structures come up with country surveys including plans of action, some confusion might indeed be avoided. Success will not come overnight. At least the ITUC has given itself time until 2010 to produce some tangible results– since that is when the Secretary General must deliver his progress report at the next congress.

8. Summary

From an organisational point of view, the global unions have managed to initiate a major reform at the ITUC Founding Congress. This process has not yet been concluded and will progress to its next stage with the mergers of the regional organisations. The relationship between the ITUC and ETUC continues to be a special feature. PERC with its institutional mix will be an interim solution only since it stands for a European regional structure intent on supporting the ITUC together with the ETUC, while it contributes to the continued parallel existence of trade unions at EU level and the international structure. And finally, some effort is required to consolidate cooperation between ITUC and GUFs institutionally and to amalgamate the ten *Global Union Federations-GUFs* into larger and economically viable organisations.

Organisationally, the international trade union movement has never been more united than at present. However, unity is strength only if practised through joint action. It is imperative that membership figures go up, the financial status improves and joint campaigns are implemented. Whether the turning point was reached at the Founding Congress of the ITUC remains to be seen. But it has added momentum to the strengthening of international trade unionism.

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