

Competition or Cooperation? The Future of Relations between Unions in Europe and the United States

by Thomas Greven

1. Introduction

In the age of globalization unions have to expand the scope of their activities beyond national borders in order to prevent “whipsawing”, i.e. the ability of companies to play off workers in different countries against each other. International union cooperation has a long history.

As early as 1864 a first meeting of European unionists took place, and an American delegate participated in a meeting for the first time in Basel in 1869. Unions coordinated the successful fight for the 10-hour and then the 8-hour workday transnationally. Subsequently, however, the 20th century saw a long “Fordist break” in international activities (Greven/Scherrer 2005). Unions were nationalized through two world wars, during which national unions identified with their respective nation-states and thereby often gained legal recognition as legitimate social organizations for the first time, as well as through the establishment of welfare states and the decades-long focus of economic development on domestic markets. What remained of international union activities after World War II was dominated by the Cold War. The current revitalization of international union solidarity encounters substantial institutional, cultural and political obstacles.

International union organizations have partially overcome the historic divisions with the establishment of the International Trade Union Confederation (ITUC) in 2006 (cf. Traub-Merz/Eckl 2007). Already in the 1990s, unions proposed to link core labor rights to world trade in order to prevent a “race to the bottom” in terms of social standards. So far, the

proposal was unsuccessful at the World Trade Organization (WTO). Instead, economic competition has increased sharply and is extending to national regulatory systems. For unions, the logic of economic competitiveness and regulatory competition result in a massive decline of political power. In addition, in many countries they are losing members and thus organizational power.

How do unions cope with these challenges? Recently, the cooperation between US and European unions has developed a new dynamic. After a longer period of very limited exchange and relations in international confederations that were characterized by attempts to delineate separate zones of influence, there are signs of renewed cooperation in global union structures as well as bilaterally. These developments originate in strategies for dealing with transnational enterprises (TNEs). In addition, there is a keen interest on the part of unions in Europe, to learn from organizing and campaigning strategies of US unions to counter membership decline. These developments will be the subject of the following discussion. Can the institutional, cultural, and political barriers between unions in the US and Europe be overcome, or will their relations continue to be characterized by competition and a lack of understanding?

2. Industrial Relations: Institutional and Cultural Differences Between Europe and the United States

2.1 Corporatist Europe

In continental Europe, unions quickly evolved from craft unions to class-based organizations which acted on the basis of conditions affecting all working people. Thus, unions are organized beyond status and the workplace, in France and other countries in the form of political unions, in Germany and other countries even in the form of unified unions. As organizations beyond the workplace, these unions relied on the state and were frequently embedded in corporatist institutions with the state and employer associations. Codetermination at the enterprise level, tripartite decision-making and other institutions of social partnership came to characterize industrial relations. Unions' organizational power, stemming from membership mobilization, was thus complemented and partially replaced by political and institutional power. A free-rider problem resulted because the immediate incentive to join the union was removed.

The increased global competitive pressure has, however, led to a decentralization of corporatist arrangements, i.e. centralized bargaining agreements are undermined at the enterprise level because of considerations of competitiveness. The vehicle for this decentralization is the institution of works councils, which is required by law in Germany and other countries (cf. Rehder 2006).

2.2 United States: Embattled Recognition, Company Unions, and Conflict Orientation

In the US, unions have not evolved from craft to class-based unions, even though since the New Deal of the 1930s industrial unionism has been dominant. One reason for this is that labor law makes the workplace the main arena of industrial relations. Unions in the US have to win representational rights for the employees of a "bargaining unit," either through a secret certification election or, if the employer agrees to it, through a "card check," i.e. the counting of

union cards by a neutral third party. The certified union has exclusive jurisdiction in terms of representation and collective bargaining and will, in most states, get either membership dues or an agency fee from all employees. Industrial relations so centered on the company level reinforce the narrow conception of solidarity and the voluntarist skepticism of the state of American "business unionism." Largely without the state and free-riders, US unions were able to establish a "private welfare state" for their members in the post-WW II decades, including health care in a country without public health insurance, supplemental unemployment insurance and private pensions. In some sectors, pattern bargaining agreements were negotiated.

During the last decades, the downside of this system of industrial relations has become obvious: With the help of a billion-dollar anti-union consultant industry, most companies fight union organizing efforts, because there is an economic incentive to remain "union free." Union activists face intimidation and even dismissal. In turn, there is an incentive for unions to organize where employees are prepared or where the employer's possibilities to fight organizing are relatively low. Thus, unions compete with each other in some sectors; in extreme cases they will even compete in certification elections. The public sector and some parts of the service sector have become especially embattled. Consequently, through mergers and opportunistic organizing outside their core jurisdictions, many unions have developed into internally fragmented general unions, thereby reinforcing the institutional fragmentation. American unions have little to expect from the state. While they have overwhelmingly supported the Democratic Party since the New Deal, the political system's inbuilt opportunities for obstruction have prevented labor law reform favorable to the labor movement. While the systems of industrial relations in Europe and in the US have stark differences, in the context of increased global competition they are similar in one respect: The increased focus on the company and thus on its competitiveness. Unfortunately, this similarity makes cross-border inter-union cooperation more difficult.

3. The Growing Power of Transnational Enterprises Requires Cross-Border Union Cooperation

Most workers are not as mobile as many transnationally active companies (TNEs). Transnational enterprises have an “exit option,” i.e. if they are dissatisfied with conditions at one location, they can relocate easier than in the past (cf. Greven/Scherrer 2005).

Accordingly, unions fear that TNEs will use increasingly open borders to play off different locations against one another and to blackmail bargaining concessions by threatening or exercising relocation of jobs. Capital mobility also affects companies which operate exclusively in regional or national markets. These companies will lose bargaining power vis-à-vis more mobile companies, e.g. as suppliers. In addition, the imbalance of political power between “global players” and local actors forces national economic policy to focus on competitiveness. The rights of workers can ultimately only be protected through global rules because high standards at the company or national level run the risk of becoming liabilities with regard to competitiveness. In turn, if concessions are agreed to at the local level to boost competitiveness, ruinous competition regarding wages and working conditions can ensue as well as the marginalization of those excluded from such local arrangements (cf. Greven 2006).¹

The fundamental dilemma of union politics in the context of market competition, now globalized, makes union action difficult: With whom should the union cooperate, with the management of its “own” company, or with a “foreign” union, which after all is facing the same question? Despite a philosophical position of international solidarity, unions apply caution in the face of this dilemma, but while this is understandable, it does constitute, in the final analysis, an invitation to the companies to play off different locations against one another.

4. Union Cooperation and Transnational Enterprises

The relationship between unions from developed and emerging countries is especially difficult because of increased international competition, but even the relationship between unions within the OECD is under stress. After all, this is where most transnationally active companies and especially the global players are headquartered.

Moreover, because of different systems of industrial relations, unions have developed distinct strategies in transnational politics. While unions in Europe focus on the establishment of European Works Councils (EWCs) and World Works Councils and on negotiating so called International Framework Agreements (IFAs), many U.S. unions have responded to their decades-long crisis by developing aggressive transnational campaign strategies, designed to strengthen their position vis-à-vis the TNEs.

4.1 European and World Works Councils

European and World Works Councils are extensions of traditionally cooperative industrial relations in continental Europe and Scandinavia, and in some cases even extensions of specific cooperative company cultures (in the UK, EWC rules are nominally better, but in practice management hostility towards employee representatives dominates). Thus, these councils are highly effective regarding the formation of stable networks of communication, on the basis of mere information and consultation rights, or in the case of World Works Councils, even without those. This successful institutionalization of structures is, however, generally not complemented with capacity for cross-border collective action in the case of conflict, because often national or workplace egotism undermines joint action, in the form of privileged access of works councils at company headquarters. An exception is the European-wide co-

1 Some observers state that the internationalization of companies is due to mergers and acquisitions. Compared to these developments actual relocations are marginal, they argue, because contrary to the statements of managers of global players these are faced with serious organizational and cultural obstacles. The globalization of corporate activities could therefore be a myth and the threat of an “exit option” empty. From the perspective of employees and unions the relocation threats and decisions even of profitable companies such as the Finnish Nokia, which is moving a plant from Germany to Romania, probably have higher currency.

ordination of activities and joint negotiations to avoid plant closings at General Motors Europe (cf. Pulignano 2007) – in this case, however, employee representatives at GM headquarters in the US did not participate, as GM has no World Works Council. So far, these councils are merely coordination tools for union and works council representatives of TNEs. US unions rarely participate, in part because they have good reason to distrust cooperative arrangements at companies which are anti-union in the US, and in part because of a general distrust regarding cooperative arrangements at companies headquartered in Europe.

4.2 International Framework Agreements

International Framework Agreements (IFAs), which have been concluded between TNEs and several Global Union Federations (GUFs) such as the International Metalworkers Federation (IMF), with participation of national unions and even EWCs, are the union variant of “voluntary” codes of conduct. Such codes are supposed to help enforce workers’ rights along the chain of production of globally active companies (Müller et al. 2004). The force of such contractual obligations regarding minimum social standards (e.g., the right of freedom of association in all activities of the TNE, including suppliers) is limited, however, because GUFs do not have the resources for effective monitoring. There is also the dilemma, that where IFAs could be monitored by strong local actors, they are not needed as much. In some countries, notably in China, independent unions cannot be formed, thus “voluntary” codes of conduct seem a viable strategy there.

The biggest obstacle to the effectiveness of IFAs is that they have almost exclusively been concluded with European-based TNEs. In fact, they too are mostly a transnational extension of cooperative national or European industrial relations. They are marginal in terms of the rapidly increasing number of TNEs, but even if hundreds of IFAs could be concluded in the short term, little would be achieved as long as only European companies sign them, because they are by far not the worst violators of international labor rights.

US unions have been skeptical regarding IFAs because given the problems of enforcement they consider them to be purely voluntary. In addition, they consider them to be not helpful regarding their own organizing efforts. European unions in contrast emphasize their role in helping unions in emerging countries. Moreover, US companies resist any kind of commitments. The IFA with Chiquita, e.g., specifically excludes the US from coverage. US unions do use IFAs as leverage in the context of specific strategic campaigns against TNEs, just as they use the recently revised OECD Guidelines for Multi-national Enterprises, voluntary codes of conduct and labor rights provisions in trade agreements.

4.3 Strategic Campaigns

In order to cope with their precarious legal situation and increasing employer hostility, US unions developed so called “strategic campaigns” in the 1980s. Strategic campaigns begin with the assumption that companies are social entities with numerous relationships with their environment and that unions use all these relationships to generate leverage (Banks 1998). As more and more companies are transnationally active, the concept of strategic campaign today often includes a transnational component. Just as a company’s relationships to its customers, its bank, the environment etc. can be used to generate leverage, its transnational relationships can be sources of union strength or company weakness. In terms of union relations this entails that existing union influence in the company’s locations abroad be used on behalf of the campaigning union.

US unions use strategic campaigns for organizing and to complement or substitute strikes in the context of bargaining. They turn to potential allies willing to initiate actions against the target company, either for their own reasons or based on solidarity. Generally, temporary coalitions of choice are formed which end with the conclusion of the union campaign. This can cause irritation, especially if the union discontinues the relationship with its civil society allies, e.g. environmental NGOs, after settling with management. The adversarial nature of transnational strategic campaigns unsurprisingly has

caused irritation especially in countries with a social partnership tradition in their industrial relations, not only regarding employers, which of course is intentional, but also regarding partner unions.

Occasionally, these unions will complain about what they consider “one-way solidarity” or “phone call solidarity” – help will always be extended to the US, coalitions are merely tactical, and requests for support often come too late and expect too much. In addition, the US campaigners will themselves carry out actions in the “home country” of the target company, or in countries important for it, and this is a violation of standard practices of international union diplomacy. For example, actions at annual shareholder meetings of German-based public companies can irritate German unions because they are represented on the supervisory boards and therefore neither need nor want public protests.

4.4 Is There Room for Greater Cooperation?

The more adversarial strategies based on US traditions of voluntarism are effective in labor disputes, but tend to be narrow, exclusive and not suitable for the establishment of stable networks. In contrast, the approaches based on cooperative European traditions are strong in terms of building such networks but are less effective regarding cross-border collective action in conflicts.

Recently, there is a new dynamic in European-American union relations because of two developments. First, several US unions have realized that they have to invest in long-term relationships. Thus, company or industry-focused networks of union representatives have been established in recent years, for example the November 2005 World Integrators Council at the International Transport Workers Federation (ITF), initiated by the US Teamsters union (IBT), without immediate campaigning context. This council does not focus just on UPS – target of a Teamsters strategic campaign in the 1990s – but covers all four main players in small package delivery. Thus, unions at DHL, TNT and FedEx participate as well. Networks such as this are designed to improve inter-union communication and ultimately to de-

liver, at least from the perspective of American unions, support and leverage in the context of transnational strategic campaigns. This last point is a key difference to the World Works Councils initiated by European unions, which mostly serve to improve communication between employee representatives, but the networks still constitute a major step towards improved relations and capacity for action. Whether this development will result in American unions applying pressure on “their” companies on behalf of other unions remains to be seen.

The American Service Employees International Union (SEIU) takes a different approach. With its Global Organizing Partnerships, SEIU picks up on the second reason for a new dynamic in European-American union relations: As the institutional power of unions in Europe has been eroding and in the face of dramatic membership decline, interest in US organizing strategies has grown (cf. Greven 2007).

5. The Imported Organizing Debate: A Promising Strategy Transfer from the US or No Solution for the Membership Crisis?

For almost two decades, an ongoing broad debate has been addressing the reasons for the declining power of the labor movement. Structural approaches focus on social and economic change such as labor market reforms and growing anti-union hostility. This perspective, however, tends to view unions as “‘passive’ organizations, on the receiving end of structural, cyclical and institutional changes” (Checchi/Visser n.d.: 17), instead of as “architects of their own destiny.” In contrast, actor-centered approaches consider the “strategic choice” of the unions as a factor for their declining influence. They are closely connected to the debate about union revitalization, ongoing mostly in the Anglo-Saxon countries, and especially with the concept of organizing.

In the Anglo-American context, organizing in a narrow sense simply refers to membership recruitment, which in the US however takes the collective form of union recognition (see above). Critics of the so

called “servicing model” argue that effective membership service, and especially good bargaining agreements, can only be delivered and sustained if unions regain their membership strength. Thus, union activities will have to be directed towards organizing the unorganized, i.e. towards an “organizing model.”

In an expanded sense, organizing refers to much more than just membership recruitment: It involves building and activating a strong basis for the union inside and outside of the workplaces. Mobilized members come to develop ownership of the union, usually in the context of actual disputes which they consider important. Together with union staff they develop into problem solvers and will also involve themselves into new organizing and politics. This expanded concept of organizing also reduces the contrast between organizing and servicing because the servicing is conducted from an organizing perspective (Banks/Metzgar 1989).

Remarkably, the US “organizing model” has been adopted outside the Anglo-Saxon realm, even though US unions are among the weakest in the OECD, with an overall density of 12% and only 8% in the private sector. However, the strategic challenge for unions which have traditionally relied mostly on institutional power and legal arrangements is to react to the erosion of such arrangements (in Germany for example there is growing resistance against employee representation and growing numbers of employers are either leaving the employer associations or at least the bargaining coverage). While legal frameworks are difficult to change, unions can immediately improve their strategic capacity regarding organizing, mobilization and campaigning.

In some European countries, i.a. in the Netherlands, in Poland and in Germany, delegated SEIU organizers support union organizing efforts in the context of the Global Partnerships project. The strategy transfer is most advanced in the UK, which is most similar to the US in terms of institutions and especially language and culture. Even there, however, the introduction of organizing has been controversial because unions have to adapt to it and because

some observers consider the mobilization of employees to be “managed mobilization,” directed from the top.

Some of the techniques of US-style organizing can be used for the “internal organizing” of workplaces that already have a union presence, especially the so called “mapping,” meaning the collection of information about every workers location in the workplace, as well as face-to-face communication skills, including private conversations with workers. The targeted communication with workers, however, does constitute a considerable challenge for some union staff and volunteers. Unusual, but equally applicable, is the concept of “rating,” i.e. the evaluation of workers in terms of their relationship to the union. What is more difficult to transfer than these organizing techniques is the fundamental strategic approach of US organizing, namely its focus on union recognition.

Works council elections could be considered a rough equivalent of US certification elections, however, works councils and their institutional and cultural complexity are specifically absent from the US organizing concepts. There is also considerable reluctance concerning public pressure campaigns and coalitions with social movements because of established social partnership. Compared to the US, there is little willingness to hurt “bad” employers or even to remove them as competitors, in part because there are few clearly identifiable non-union employers. Still, the campaign against the discounter Lidl, run by the German service sector union ver.di has negatively affected the company’s image and working conditions have been slightly improved as a result. Membership recruitment does not take center stage in the application of American organizing concepts, e.g. in Germany, and that is a sensible adaptation because recruitment can take place individually and at all times, carried out by works councilors, members or union staff, and not collectively at a specified time. Central to ver.di campaigns at Lidl, in the security sector in Hamburg, at HWS-Otto and at the wholesaler Vreriksen were bargaining agreements, the election of works councils and the improvement of the union’s standing with the employees – all of

these objectives in turn help with individual membership recruitment efforts (cf. Greven/Schwetz 2008).

In contrast, the German metalworkers union IG Metall has introduced elements of organizing without explicit reference to US models. For the IG Metall, public pressure and coalitions with social movements seem less necessary because of its relatively good position in the workplace. Instead, it has developed strategies designed to increase participation, in order to increase the incentive for members to join the union and for the works councils to increase recruitment efforts (cf. Rehder 2007).

While it is too early to evaluate the European organizing experience, it is clear that success cannot be measured by membership figures alone. The improvement of union capacity at the workplace has to be considered. Organizing strategies have to be introduced in a way that considers the respective institutional and cultural context, so that established institutions are not jeopardized.

6. Learning From Each Other: Adversarial Mobilization and Social Partnership

The example of the SEIU's Global Organizing Partnerships shows that unions organizing in relatively immobile service sectors can more easily develop cross-border cooperation because the workers do not directly compete with each other and because the employers' threat of capital flight is less credible. Still, even these unions have to work to develop a "mutual gains" strategy for cross-border cooperation (cf. the contributions in Bremme et al. 2007).

In contrast, unions organizing in the manufacturing sector are often forced to act defensively to protect hard-won standards against concessionary demands by employers, knowing that "their" employers face direct international competition. Joint cross-border strategies are necessary and possible as the ongoing campaign of the United Steelworkers of America (USW) against the German automotive supplier Continental AG shows. Continental's US subsidiary

CTNA had cut health care for its retirees unilaterally and drastically, which resulted in serious financial burden for the affected retirees and their spouses (cf. www.usw.org/usw/program/content/3679.php). In the past, USW campaign activities such as the introduction of resolutions at annual shareholder meetings of Continental AG and coalitions with German civil society organizations had caused considerable irritation on the part of the German union IG BCE. In the current campaign, such irritations have been largely avoided, even though disagreements about strategy continue to exist. One reason for the greater willingness of the IG BCE to support the campaign certainly was its recent negative experience with management, which had not honored agreements protecting jobs at a Hanover tire plant. Equally important, however, was the fact that the USW took greater care than in the past to adapt to the German context and especially to explain the context of its own actions to the German union and works councils.

Just as cross-border cooperation in organizing, joint strategic campaigns require "bridge-builders" or "cultural interpreters" which are knowledgeable in both contexts and can mediate between organizational cultures and institutional systems. So far, US unions have invested more resources in bridge-building for bilateral relations, while European activities are focused on Europe and the international union organizations.

Strategies which serve to strengthen unions' organizational power are ultimately a precondition for achieving the institutional protection of union activities. Unions are well advised to care for a balance between the two and thus neither to forget the necessity of mobilization capacity even in a situation of institutional integration nor to downplay the value of sustainable institutions. The combination of cooperative instruments such as International Framework Agreements and the capability to conduct transnational strategic bargaining and organizing campaigns is especially valuable when dealing with TNEs, as it can improve the unions' standing and ability to act.

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