
Global Labor Organizing in Theory and Practice

Paul Garver

IUF Transnational Companies in North America

Kirill Buketov

IUF Regional Coordination Office for Eastern Europe and Central Asia

Hyewon Chong

IUF Transnational Corporations in Northeast Asia

Beatrice Sosa Martinez

IUF Nestlé/Coca-Cola Global Project

Although the need to organize workers at the global level has become widely accepted, there are to date few concrete studies of global organizing campaigns. Four staff members from the International Union of Foodworkers (IUF) analyze the IUF's Nestlé/Coca-Cola Global Organizing Project in the light of the emerging literature on this topic. The IUF launched this ambitious organizing campaign in response to institutional demands and opportunities. Resources were identified to hire organizers working in the Global South to coordinate and support unions organizing at major global companies. Several case studies illustrate how a complex multilayered strategic organizing approach has succeeded in making headway against fierce antiunion resistance in some developing countries. The analysis also suggests that long-term sustainability of strategic global organizing efforts requires their successful application to organizing workers at global companies in industrialized countries as well as in the Global South.

Keywords: *Global Union Federation; IUF; international labor; global organizing; International Union of Foodworkers*

The program of the Founding Congress of the International Trade Union Confederation (ITUC) in November 2006, called organizing “the bedrock of trade union strength and influence [which] provides the basis upon which the global trade union movement can be a genuine countervailing force in the global economy.” In the

Authors' Note: This article grows out of a panel presentation at the Global Labor Conference by four International Union of Foodworkers (IUF) staff members. Kirill Buketov directs the IUF regional coordination office for Eastern Europe and Central Asia located in Moscow. Hyewon Chong is IUF Coordinator for Transnational Corporations in Northeast Asia. Paul Garver is semiretired and consults part-time for the IUF in the USA. Beatriz Sosa Martinez is Americas Coordinator for the IUF's Nestlé Coca-Cola Global Project based in Uruguay. All have participated in the campaigns analyzed in this paper and in the development of IUF organizing strategy.

globalized economy, organizing workers, in close cooperation with the Global Union Federations (GUFs), is the major challenge facing ITUC affiliates (ITUC 2006).

Rhetorical exhortations for the world's workers to unite and organize across borders, however, have been commonplace since the Communist Manifesto. If the need is greater than ever, the actual practice of global labor organizing remains sparse and unsystematic.

Most case studies of cross-border organizing and bargaining campaigns published in recent years focus on struggles in the United States, Mexico, Central America, and the Caribbean (Gordon and Turner 2000; Milkman and Voss 2004; Nissen 2002). The Global Companies - Global Campaigns - Global Unions Conference, organized by Cornell University in February 2006, included many panels and workshops on cross-border organizing in the Americas, and the forthcoming conference publication contains several excellent studies in this area. Until recently, however, there have been few concrete analyses of the structures and methods required to organize workers on the global scale. In this article four staff members of the International Union of Foodworkers (IUF)¹ will describe and analyze what they have learned by participating in an ongoing experimental global organizing venture in the food and drink industry.

The authors originate from four different national union cultures, are based on four different continents, and have occupied positions at different levels of the IUF. This international institutional starting point and multinational perspective may usefully complement studies that start from the perspective of the American (or other national) labor movement.

We begin with a review of three recent essays (two of them also in the forthcoming publication from the Cornell Global Conference) that analyze the structures, theoretical underpinnings, and organizing practices of other GUFs, and begin to develop a framework for making sense of international union responses to globalization. This helps us situate the IUF's emerging theory and practice of global organizing in a broader context.

Tattersall (forthcoming) describes the collaboration of the SEIU Global Partnership Unit with the Union Network International in projecting a Global Union in the property services sector. A similar experimental model, called *Café*,² is being developed jointly by the SEIU and the IUF as an initiative for the global food catering industry. In both cases the implementation phase must be further advanced before practical lessons can be drawn.

Tattersall's (forthcoming) paper also explores lessons from functioning labor-community alliances for developing more effective global campaigns and cross-border union engagements. She identifies the key variables affecting the power and sustainability as common concerns, compatible structures, organizational commitment, organizational capacity, and appropriate scale. Her remarks about the important role of "bridge-builders" (persons who connect organizations with different cultures), are directly relevant to the role of the IUF regional coordinator/organizers described in this essay.

Davies and Williams (2006) address the re-branding of global union federation as “global unions.” The demand that global unions take on new international bargaining roles can only be met in a sustainable way if the GUFs are able to integrate various levels of organization into a coherent strategy and articulated action. In general, GUFs, which have affiliated unions rather than direct members, must rely on those affiliates for democratic legitimization and for organizing local actions, and often lack a clear mandate from their affiliates to engage in organizing and bargaining. The IUF is currently addressing concerns about how to establish legitimate decision-making structures within union networks in transnational companies (TNCs) to deal with this issue.

Anner et al. (forthcoming) systematically compare transnational representation of three GUFs in different sectors: motor manufacturing (International Metalworkers’ Federation-IMF), maritime shipping (International Transport Workers Federation-ITF), and clothing manufacturing (International Textile Garment and Leather Workers’ Federation-ITGWLF). The authors of this study conclude that “Broad, encompassing transnational actors like GUFs *could*, in principle, define and implement a global union strategy.” However, with the unique exception of the ITF’s “Flag of Convenience” campaign in which the ITF actually processes grievances and negotiates minimum wages for seafarers with an employer organization, GUFs are either too under-resourced with weak affiliates (ITGWLF) or too constrained by strong national affiliates (IMF) to carry out a global union strategy.

In fact, the IUF’s strategic decision to launch a global organizing project in their core food and drink manufacturing sector was based less on theoretical considerations than on a pragmatic assessment of what had to be done to fulfill the IUF’s basic tasks as demanded by its global membership.

Rüb (2004), a sympathetic German academic who has conducted an extensive study of the IUF’s Nestlé union network, has stated, “The IUF is entirely guided in its actions by pragmatic internationalism, focusing on what is feasible and not what is vaguely desirable.” The institutional reasons that compelled the IUF to plan a Nestlé/Coca-Cola Global Organizing Project (NCCGP) in 2003 included:

The accelerated decline in overall union density throughout most countries with historically strong labor movements was sapping IUF political and financial strength.³ Numerous solidarity campaigns and other forms of required intervention were overwhelming slender staff resources at the Geneva and regional secretariats.

The IUF’s trade union development programs in the Global South were increasingly involved in supporting unions organizing in TNCs, in particular Nestlé and various Coca-Cola bottlers.

There was an increasing demand from affiliates in the Global North for the IUF to improve the efficiency of union networks within TNCs in the food and drink sector.

To link these various activities without demanding large new resources, the IUF was forced to reconceptualize what it was already doing in a more integrated way.

In addition, it had to locate crucial new resources that would assist in integrating these ongoing activities and programs.

The IUF's analysis of the food and drink sector suggested that it might be possible to execute a global organizing strategy in that industry although, as Bronfenbrenner and Hickey (2004) have pointed out, it is a manufacturing sector that has proven relatively hard to organize in North America. Some food processing industries do indeed move across adjoining borders⁴ for lower labor costs, but in general convenient access to large consumer markets and to raw material inputs are factors more significant than direct labor costs. Mobility in the beverage industry is limited by high transport costs, and even where large-scale American imports do exist, as in the case of Heineken or Corona beers, they have been sourced from large union-organized factories.

Employment in the food and drink industries has been declining steadily in most industrialized countries since the mid-1980s and in the United States since 1993, as laborsaving technology replaces production workers (ILO 1999). Acquisitions permit closing of redundant sites and the consolidation of production into larger more efficient factories. The economic integration of the European Union means dramatic reductions of the workforce as smaller factories are closed and products imported from neighboring countries. Although they have expanded their share of global sales, every large transnational company in the food and drink sector reports a stable or declining workforce. Even major mergers and acquisitions that increase the number of factories and size of the workforce are followed by such drastic restructuring programs to capture "synergies" that the long-term result is an overall reduction in employment and sites.

Employment in the food and drink industries in developing countries is still increasing, however, as the branded food and drinks sector supplants informal production. But TNCs use outsourcing and labor subcontracting to avoid creating a large stable formal workforce in production. IUF-affiliated unions in developing countries regard the struggle for stable permanent jobs as a core theme for organizing and bargaining with TNCs in the sector.

The core of the IUF's dues-paying membership has been located historically in those very countries and industries where employment and union membership are in sharp decline. Perhaps four million of the approximately thirty million workers in the formal sector are represented by IUF affiliates, the large majority of them in Europe, North America, and Japan (Extrapolated from ILO 1999 and from IUF internal data). Therefore, increasing union membership in developing countries is an organizational priority for the IUF. Organizing unions in TNCs in other countries is a matter of enlightened long-term self-interest for all unions affiliated to the IUF. Higher global union density helps secure the normal trade union goals of organizing new members, bargaining effective collective agreements, settling disputes on a reasonable basis, and securing union recognition at all appropriate levels. As SEIU President Andy Stern points out when explaining his commitment to organizing global unions, "It's much easier to change the behavior of a company that's

unionized at an 80 percent level globally than it is when it's unionized at 10 percent" (Meyerson 2005).

Strong union representation within a global company provides bases for supporting further organizing efforts in other countries. IUF affiliates represent from 30 to 50 percent of the total global workforce of Nestlé, Danone, Heinz, Kraft, Unilever, Smithfield, the Coca-Cola system, and major global brewers InBev, SABMiller, and Heineken.⁵ The IUF's targeting the food and drink manufacturing sector as an organizing priority is therefore consistent with one of Kate Bronfenbrenner's (2004) prescriptions for organizing: "Union renewal depends on using union density where unions have it and increasing union density where they do not . . . Organizing success depends on choosing targets where unions have the leverage to get the employer to back off an antiunion campaign, to get the union to recognize the union and to get a first contract."

Not only were there already existing bases for union power within most of the larger food and drink TNCs, but these highly globalized companies are especially vulnerable to union organization and actions in developing countries. Facing stagnant or declining markets in industrialized countries, they rely on expansion into new developing markets for rapid marginal growth. Nestlé already earns higher profit margins on its operations in developing countries, which compensates for lower returns on its larger European businesses. Coca-Cola earns more than 80 percent of its profits outside the United States, and has prioritized expansion into developing countries to compensate for its stagnant sales in the United States, Japan, and Western Europe. Coca-Cola identifies a possible inability to expand operations in developing and emerging markets as a significant potential business risk factor (Coca-Cola 2006).

Nestlé/Coca-Cola Global Project Based on Organizational History

An under-resourced organization like the IUF had little margin to recreate itself as an ambitious organizer on the global scale, and had to draw upon institutional history and existing resources at all levels of the organization. But to actually develop more integrated global union networks within Nestlé and Coca-Cola, additional staff had to be dedicated to that effort in the Global South.

Since the 1990s the Norwegian union confederation *Landsorganisationen I Norge* (LO Norway) and the German Friedrich Ebert Foundation (FES) had supported a wide range of IUF educational programs and regional conferences in developing regions for workers within Nestlé and Coca-Cola. Based on this support, the IUF was able to hold global meetings of Nestlé unions in 1993, 1999, and 2004, and of Coca-Cola unions in 2003 and 2004. These global meetings offered an opportunity for local union leaders within these companies to meet face-to-face, to share

information, and to develop some common themes and issue priorities. One conclusion was that more IUF personnel were needed to provide coordination and maintain contacts between the necessarily infrequent large-scale conferences. It made sense to hold fewer expensive international meetings and ask the donor organizations to allow resources to be used to hire “boots on the ground” in the form of a full-time regional coordinator (half for Coca-Cola and half for Nestlé) for each of four regions (Africa, Asia, Latin America, Eastern Europe).

The donors agreed to an initial three-year period from 2004 to 2006, and the project formally began on September 1, 2004. The NCCGP almost immediately proved its usefulness in multiple ways, linking unions in these companies both laterally among regions, and in ensuring the flow of information up from the grassroots organizations to the regional and Geneva IUF offices and back down.

The basic objectives of the NCCGP are to help unions in developing countries organize new members, strengthen their structures, and represent their members effectively. What makes the work of the NCCGP coordinators unique is their role in identifying and developing common themes that emerge in the different regions and helping shape a global IUF response. For example, subcontracting and the casualization of permanent work have been identified as major themes at both Nestlé and Coca-Cola.

Regular horizontal communications supplemented by regular evaluation and strategy meetings with the global and regional secretariats help feed into a global network in which success stories and best practices can inspire emulation. Training materials for national and local unions reflect broad global themes and campaigns. This network is facilitated by inexpensive and rapid communication via Skype and internal blog websites. This complex, multilevel structure looks very messy on paper, and worked in practice only because the coordinators were able to take a great deal of initiative. Such inevitable frictions and disagreements that arose in the course of the work, arising from clashing sets of priorities among different levels of the IUF structure, could be and were addressed in practice as needed.

The NCCGP worked effectively enough in its initial phase by early 2006 that the donors extended their commitments through the end of 2009. Another donor, the Dutch FNV labor confederation, agreed at the same time to fund additional coordinators for Dutch-based TNCs Unilever and Heineken. As of May 2006 the IUF was able to hire several additional organizer/coordinators for food-and-drink TNC organizational work, allowing the extension of the program⁶ to more global food-and-drink TNCs and to some previously underserved countries in the developing regions. Currently there are ten coordinator/organizers: five women, ten nationalities, speaking at least thirty languages among them, based in nine countries on four continents.

The sections that follow describe the separate origins and developments of the global Nestlé and Coca-Cola campaigns, followed by an additional section on how TNC campaigns are integrated at the national level, using Russia as a case study. Within the treatment of the two global campaigns are a number of case studies of specific solidarity actions and interventions relating to each campaign.⁷

Global Nestlé Campaign

Since 1990 the Nestlé European Works Council established through direct negotiations with the IUF has provided for consultation with union and employee representatives. Semiannual three-day meetings also afford regular opportunities for Nestlé union/employee representatives from throughout Europe to meet separately before and after joint sessions with management to plan strategy. However, Nestlé has refused to extend its recognition of the IUF beyond Europe. This has created a troubling and divisive imbalance. Following a global meeting of Nestlé unions held in Manila at the end of 1999, the IUF launched a campaign that organized IUF-affiliated Nestlé unions throughout the world to send Nestlé letters supporting the IUF's demand to extend that recognition to the global level. When Nestlé refused to meet the demand, the IUF lacked the capacity to put muscle behind it.

One lesson the IUF learned from this failure was that a campaign strategy focused on securing global union recognition is not compelling enough to win a strong commitment from many affiliates. Strategic campaigns must focus on issues that are more immediately relevant to the unions involved. In the case of Nestlé, this is proving to be securing stable permanent employment as opposed to temporary and casualized labor.

The other significant lesson was the need to increase union density within Nestlé globally by recruiting nonaffiliated unions to the IUF and through organizing new members into affiliated unions, particularly in developing regions. Two specific union rights and bargaining victories against Nestlé became springboards to increase union organization and power within the company.

Case Study: Victorious Strike at Nestlé Korea

Early in September 2003, the nonaffiliated Nestlé Korea Labor Union requested the help of the IUF in resolving its bitter dispute with Nestlé. The union had taken strike action when Nestlé Korea refused to negotiate over the unilateral transfer of employees to a newly created distribution division as a prelude to subcontracting and layoffs. On September 4, Nestlé locked out union workers at its only manufacturing facility and at warehouse and distribution centers across the country. Management's lockout and plant-closing threat struck a devastating blow to the militant and well-organized strike by removing the strikers from their encampment within the factory grounds, where the union had maintained the spirit of the strikers and their families through theatrical support rallies (NKLK 2003).

Following the lockout, Nestlé Korea made an announcement widely reported in Korean television and international press (*Agence France-Presse* 2003) that it was considering shifting its production for the Korean market to China. The Nestlé Korea CEO referred to instructions from Nestlé headquarters to prepare a business plan for the withdrawal of production from Korea. Threatening the closure of Nestlé's only factory

in Korea put severe pressure on the striking workers and on the public authorities to intervene on behalf of management. However, it explicitly violated Section IV.7 of the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Corporations, which states that enterprises should,

In the context of bona fide negotiations with representatives of employees on conditions of employment, or while employees are exercising a right to organize, not threaten to transfer the whole or part of an operating unit from the country concerned . . . in order to influence unfairly those negotiations or to hinder the exercise of a right to organize (Trade Union Advisory Committee [TUAC] 2005: 18-19).

The Korean Confederation of Trade Unions submitted a complaint to the Korean OECD National Contact Point, while the IUF simultaneously sent the submission to the Swiss National Contact Point, requesting its intervention.

On November 17, the union sent a delegation of seven Nestlé Korea union and federation representatives to Switzerland. The delegation slept on the floor of the IUF office in Geneva and carried out daily information pickets at Nestlé headquarters in Vevey and in the streets of Geneva. A crucial meeting took place at the IUF headquarters with a Swiss government delegation headed by the Swiss OECD National Contact Point. The State Secretariat for Economic Affairs (SECO), the responsible government agency, welcomed the union delegation and explained the application of the OECD Guidelines for Multinational Enterprises to the labor dispute at Nestlé Korea (SECO 2003).

Although the consultation between the Swiss and Korean National Contact Points never resolved the case (because of foot-dragging on the Korean government side), the fact that the Swiss government had agreed to take the case seriously put pressure on Nestlé to resolve the dispute.

Members of the Nestlé Korea Labor Union voted overwhelmingly on November 28 to approve a negotiated settlement to the bitter 145-day strike and lockout at the company's Korean facilities. The new collective agreement established a joint labor-management committee to review proposed changes to employment levels, working conditions, or job classifications that might arise in the context of any restructuring measures (IUF 2003).

At the union's next annual convention the delegates voted unanimously to join the IUF. Local union president Jeon Taek Soo participated in a global Nestlé union meeting in Germany and the IUF Executive Committee in Geneva, where he thanked the IUF and its affiliates for their support and pledged reciprocal solidarity to other Nestlé unions in disputes. In January 2006, the Nestlé Korea union successfully concluded another lengthy bargaining dispute with a good agreement, this time without a strike, but only after months of deadlock and a ban on overtime and weekend work. Key issues were the implementation of a five-day workweek and preservation of entitlements that the company was trying to delete for newly hired employees (IUF 2006b).

Through the Nestlé Korea struggle, the IUF gained a militant new affiliate, now joined by several other new affiliates in Korea including local unions at two Coca-Cola bottling plants, and solidified its institutional presence in Korea. The Nestlé Korea local union made a video on lessons learned in the strike, which the IUF is using as a training film around the globe. An analysis of the campaign, however, shows that serious deficiencies were overcome only by good luck. Notice to the IUF came nearly too late to allow useful intervention. It was fortuitous that the Nestlé European Works Council was currently meeting in Geneva when the message asking the IUF for international solidarity arrived, which allowed them to respond immediately. Moreover, by choosing a pressure tactic that expressly violated a specific article of the OECD Guidelines, Nestlé opened itself to an effective counterblow. In the last analysis, it was only the solid foundation of a mobilized and determined local union membership, backed by the support of its regional union organization that allowed international solidarity time to play a useful subsidiary role.

Case Study: Nestlé Russia

Nestlé's growing business in Russia is strategically important to offset stagnation in Western European markets. Cautiously entering Russia by acquiring existing businesses, Nestlé also inherited some local "industrial relations" in which the functions of human resources and trade union administration were not sharply differentiated. Even as it brought in foreign managers to run the actual factory operations, Nestlé relied on the former local managers for handling personnel and labor relations. Local and national union leaders had little experience in collective bargaining or representing workers. The process of creating more effective unions was difficult at Nestlé Russia.

The case of Nestlé Timashevsk marked a watershed in the transition of industrial relations between Nestlé Russia and the unions that became affiliated to the IUF. Early in 2004 the local union president was discharged from employment for allegedly contributing to a work accident. His claim that the accident was actually caused by faulty equipment was supported by an inspection by the local work safety authority. Following an on-site visit by the newly hired Nestlé/Coca-Cola regional coordinator, the IUF developed a public campaign to demand reinstatement of the local union officer and correction of the safety violations. At the same time, recognizing that neither the local union nor local management were experienced or competent in resolving problems, the IUF proposed to Nestlé a systematic joint approach to developing a functional labor-management system at the Timashevsk factory.

Receiving a strongly negative initial reaction from central Nestlé management, the IUF used its global and Russian websites to generate thousands of protest messages. In August 2004, Nestlé's Russian human resources chief reached an agreement with the IUF Moscow office, allowing the IUF to suspend the campaign by posting a notice on its website, including this joint statement:

The dispute at the Nestlé Timashevsk factory has been settled by mutual agreement between management and the union. Management has agreed to reinstate the previously dismissed union leader, forklift driver Anatoly Shulga, and will compensate him for his forced absence at the rate of his average wage. Shulga will then leave his position as a forklift driver at the factory and work for the Timashevsk district union committee as the full-time chairman of the Nestlé factory's local union. The management and the union have decided to build a relationship from a "zero level," and this relationship will aim to develop mutual respect and further positive progress at the factory (IUF 2004).

This positive resolution of this widely publicized conflict accelerated union organizing at Nestlé sites in Russia. Most significant was that the Nestlé union has already organized 85 percent of the workers and Nestlé has recognized them for collective bargaining at a new greenfield coffee-processing factory at Timashevsk. Local unions formed at four of the eight Nestlé food factories throughout Russia now meet in a national coordination council for mutual support in bargaining and organizing. Following an IUF organizing seminar at the Perm factory, the union recruited 150 new members. Nestlé national Russian management has in effect recognized the Nestlé Russia Unions Council led by the IUF at the national level.

Assessment of the General Nestlé Campaign

Despite organizing and bargaining successes at Nestlé Russia and Korea, fundamental strategic problems remain for the IUF's Nestlé campaign. Although the IUF-administered European Works Council functions well on its own terms, it has not proved to be a springboard for achieving recognition of the IUF outside of the European arena. Nestlé's largest country, the United States, is weakly organized with the exception of a handful of confectionery and pet food plants (and these into several different and noncooperating national unions), and some major developing markets for Nestlé are entirely nonunion (India) or currently not accessible to IUF organizers (China). Although resistance to Nestlé's misuse of subcontracted and casual workers is widely supported among IUF affiliates, only limited successes have been achieved to date.⁸

Global Coca-Cola Campaign: Background

The IUF's long campaign to win worker rights and achieve union recognition throughout the global Coca-Cola system began in defense of an embattled union at a Coke bottling franchise in Guatemala City from 1979 to 1984 (Frundt 1987). Right-wing terrorists, with the open connivance of the Texan manager, assassinated several union leaders, but the company denied responsibility for correcting the situation because it did not own the plant. An IUF international campaign coordinated with the Interfaith Center of Corporate Responsibility representing religious shareholders was

launched with labor-organized consumer boycotts, job actions in several countries, and an effective threat by Nordic unions to boycott the transport of Coke products. In 1980, the company entered into direct negotiations and finally signed a historic agreement with the IUF, agreeing to locate a new franchise holder who would sign an agreement with the beleaguered union. In 1984, after the new franchise holder fled to Mexico and Coca-Cola threatened to close the franchise, workers occupied the large Guatemala City plant for nearly a year. Facing renewed job actions against Coke distribution organized by the IUF in many countries and still publicly disclaiming responsibility, Coca-Cola agreed to reopen the plant with a satisfactory new franchise holder.

The Coke union office within the Guatemalan City plant remained for many years a safe rallying point for the beleaguered labor movement in Guatemala. The labor agreement at the Guatemala City plant with its extensive safeguards for union facilities and worker rights has survived largely intact until this day. The union had to overcome a major challenge in 2003, following the transfer of ownership of the plant to Mexico-based Coca-Cola Femsa, the largest Coke bottler in Latin America. It required nearly a year of tense and difficult negotiations, with significant support from the IUF, for the union to preserve its historical gains and turn back threats of restructuring leading to layoffs (Frundt 2003).

In 2006, another Coca-Cola franchise holder in Guatemala, INCASA, discharged several union activists and encouraged lethal threats against one, causing him to flee the country. The owner of INCASA has been forced to sign an agreement to respect union rights (the Coca-Cola Company and the IUF agreeing to supervise its implementation), and the fragile respite has allowed the union to rapidly increase its membership at one of its two bottling plants. However local management continues to promote a *solidarista*⁹ organization to discourage union membership, requiring regular intervention by the IUF.

Although the outcomes of the 1980 and 1984 Coca-Cola campaigns were positive for trade unionism in Guatemala, their resolutions left unsettled issues for the future relationship between Coca-Cola and the IUF. Despite promises made to the IUF and to religious shareholders, the company did not formulate a coherent labor relations policy for its or its bottlers' employees. Backdoor informal communications between Coca-Cola and the IUF served well from 1985 to 1997 in quietly defusing potentially damaging industrial conflicts, but with the time and changes in personnel these channels became ineffective. From 1997 through 2004, no one at the Coca-Cola headquarters in Atlanta had the competence or the mandate to investigate and resolve problems at Coke bottlers throughout the world. By allowing its global labor relations to atrophy, Coca-Cola left itself vulnerable to charges of human rights abuses that increasingly threatened its public image and its iconic brand.

In response to growing complaints from Coca-Cola affiliates, a global meeting of Coca-Cola workers' unions was held in New York City in March 2003. The conference was attended by some seventy delegates from Coke union organizations in twenty-three countries, and they mandated the IUF to act on their behalf in establishing a

global framework for human rights within the Coca-Cola system. At the same time the meeting unanimously rejected the tactic of a global boycott of Coca-Cola products, demanding instead that the company enter into negotiations with the IUF.

In April 2003, Coca-Cola representatives agreed in principle to twice-yearly meetings between a small team from the company and a small team made up of the IUF general secretary and affiliates of the IUF. Initially, the main objectives of these meetings were to exchange information and discuss issues of mutual concern within the Coca-Cola system. The first such experimental meeting held in October 2003 nearly had to be cancelled at the last moment because the company organizer had just resigned. More than a year passed before the company committed to hiring a global labor relations director with a mandate to conduct serious discussions with the IUF.

The IUF was therefore forced to revisit its strategic analysis of the Coca-Cola system because a new business structure posed new challenges to the unions. Increasingly, their direct employers were transnational “anchor bottlers.” The larger anchor bottlers collectively employ several times more Coca-Cola employees than the company itself. Some important anchor bottlers are Coca-Cola Enterprises (North America and Europe), Coca-Cola Hellenic Bottling Company (Central and Eastern Europe), Coca-Cola Femsa (Latin America), Coca-Cola Amatil (Asia/Pacific), San Miguel (Philippines), and ABI and Sabco (Africa). The company claims to exercise no effective influence over the industrial relations policies of its anchor bottlers. Since the anchor bottlers employ the bulk of unionized employees in the Coca-Cola system, most actual collective bargaining and industrial relations takes place in the anchor bottlers. By allowing its labor relations function to atrophy, the company’s Atlanta headquarters lacked the capacity to intervene when disputes broke out or human rights abuses were alleged.

The Coca-Cola Company’s relations with its anchor bottlers have become a structural risk factor for the company as reported on its 10-K filing to the SEC. Since it relies on its bottlers for 83 percent of its business, the company is vulnerable to prolonged labor disputes leading to the loss of major customers or deterioration of the brand image through accusations of violations of human rights by bottlers (Coke 2006).

One conclusion the IUF has drawn from its revised analysis of the Coca-Cola system is that it has become desirable to engage the major regional anchor bottlers parallel with the engagement with the Coca-Cola Company. Exploratory meetings were held in 2006 with Coca-Cola Hellenic Bottling and Coca-Cola Femsa. The major issues with both companies are violations of worker rights, as the following case study illustrates.

Coca-Cola Hellenic Bottling Company in Russia

Coca-Cola has proved to be a very difficult transnational company to organize in Russia. Unlike Nestlé, Coca-Cola entered Russia by investing in new plants on greenfield sites with no union organization by definition.

On the day in 2002 that Moscow Coke worker Viktor Grachev went to the manager's office to file a first petition for union recognition, he was summarily fired. Management claimed to have overlooked the fact that he had been working on rotating three-month temporary jobs for five years, and that it had merely decided not to renew his contract.

The IUF Moscow office, with support from Irina Stevenson, the AFL-CIO adviser in Russia, assisted with Grachev's case for reinstatement. The company lost every decision in the administrative labor court and exhausted all legal appeals, but after two years still refused to reinstate him. After the IUF repeatedly intervened with the Coca-Cola Company and threatened a public campaign, Grachev was finally reinstated and the union was recognized. Although management continued to resist full negotiations with the minority union, a collective agreement was finally signed.

The creation of a union at one of Coke's eleven bottling plants in Russia opened the way for the establishment of unions at three additional sites. Local management put up such obstacles as firing union activists, barring union officers from plants, denying unions access to facilities to which they are entitled by law, and refusing to provide information for bargaining. The most difficult obstacle to surmount has been management sponsorship of company-controlled parallel organizations to avoid dealing with the legitimate union. Each obstacle is being slowly but progressively overcome, with significant assistance from the Moscow office and from the IUF global engagement with Coca-Cola and with Coca-Cola Hellenic Bottling.

For instance, the Coca-Cola union at the St. Petersburg plant set up a picket line in May 2005 to demand an end to violations of basic worker rights. After negotiations with local management supported by IUF representatives, an agreement was signed to provide facilities for union representatives and to establish a procedure to resolve grievances and local issues.

There is now a functioning Council of Russian Coca-Cola Unions composed of local Coke unions affiliated through their regional organizations to the IUF.

Achieving Partial Recognition by Coca-Cola

In April 2005 the IUF finally signed an agreement with the Coca-Cola Company that consolidated the regular semiannual meetings to review human rights and other issues related to unions throughout the Coca-Cola system (IUF 2005). Although the key language on the inclusion or exclusion of all Coke employees is ambiguous, in actual practice the wide-ranging agendas of the meetings in April and October 2005 and February and October 2006 included numerous topics related to anchor and franchise bottler employees. After each meeting an action plan has been agreed upon for following up on issues that must be addressed before the next meeting. Most specific conflicts regarding worker rights and other issues that have arisen between the company and the IUF over the last two years have been resolved through this process, albeit less quickly and completely than the union side would have wanted. The agenda

at the semiannual meetings of the IUF team with the Coca-Cola Company normally include union rights issues concerning developing countries such as Pakistan, Russia, Guatemala, or Colombia, but Coke unions from industrialized countries also have successfully used these meetings to further their own bargaining agenda.

The NCCGP is integrally related to the IUF's discussions with Coca-Cola at the global level. Violations of union rights and other issues raised by Coke unions in developing countries communicated through the regional coordinators feature prominently on the agenda. This interrelationship is also problematic. The actual implementation of any solutions to issues and problems that might be reached at the IUF/Coca-Cola global meetings is often incomplete and painfully slow. Yet the global process can only attain credibility in the eyes of IUF-affiliated unions if it shows tangible results. The IUF must maintain a crucial balance among maintaining strong global pressure on the company, rapid network mobilization for solidarity support when disputes break out, and continually strengthening local union organizations.

Although many problems facing Coke unions are eventually resolved with the aid of this mechanism, others still require "surgical" public solidarity actions. In the ongoing dispute at Coke Pakistan, the IUF Geneva office, the regional NCCGP coordinator, and the IUF national coordinator for Pakistan mobilized rapidly in support of a threatened local Coke union. In December 2006, local management at a Coke bottler in Karachi tried to subcontract most bargaining unit work, bypassing the union and sending out individual dismissal notices to most union members. An international protest action the IUF directed at the global Coca-Cola Company¹⁰ forced local management to resume negotiations with the union, but it complained about the IUFs "outside intervention" and tried to exclude the IUF Pakistan representative from the talks. The local union executive committee responded that "The IUF is not an outside organization; we are members of the IUF and it is the responsibility of our international organization to support and help us."

The key indicator for the IUF organizing strategy is whether union density and effectiveness within the Coca-Cola system can be increased in a sustainable way.¹¹ Global recognition of the IUF by Coca-Cola and the negotiation of a comprehensive global framework agreement on worker rights within the system are important but subsidiary to that primary objective. One crucial unresolved issue of the campaign remains the formal and effective inclusion in any agreement of the majority of Coke employees who work for the anchor bottlers. This demands vigorous and persistent organizing and bargaining campaigns at the grassroots level within each bottler.

Russia: Integration of the Organizing Project at the National Level

The above case studies indicate how successful interventions that began with reacting to a crisis led to recruitment of unions to the IUF and to successful new

member organizing. However, the transition from a reactive campaign strategy to a proactive organizing strategy requires that the IUF has the capacity to follow up effectively at the national level. Although the IUF has several such national outreach offices, we will take Russia as an example of how a global organizing strategy is articulated and implemented in a difficult national context.

The IUF established a subregional office for Eastern Europe in Moscow in 1997. The responsibilities of this office formally expanded in 2004 with the creation of a subregional IUF Eastern Europe and Central Asia Coordination Council. Russian unionism has been characterized from 1990 to the present by a confusing hodge-podge of confederations, regional organizations, and local unions. Current IUF affiliates in Russia reflect a similar mixture of plant level unions, national networks of unions in a particular company, and regional union organizations.

By 2003 the IUF Moscow office had developed an explicit proactive organizing strategy focusing on TNCs expanding into Russia. Even though they often circumvented existing unions and resisted new union organization, their factories were less difficult to organize than those of local employers because they could be pressured by international solidarity actions to reverse repressive measures against union organizers.

Although driven by a central strategy, the organizing method is based on training seminars for local trade unionists at plant, district, and national company levels. Training programs are intended to help unions organize new workers, assist local and regional union organizations in creating coordination councils within TNCs, and recruit these unions and coordination councils as IUF affiliates. The core message reinforced in each IUF program is, "From worker to worker, join the union! Organize other workers in your plant! Organize other workers in nearby plants!" The IUF Moscow office assists newly trained local organizers by creating leaflets and other publications. It also maintains a sophisticated website in Russian that carries information on activities of Russian unions and a full range of international union information translated into Russian from the IUF's global website. The IUF Moscow office itself seeks national recognition from TNCs for these TNC coordination councils and thereby fills a vacuum created by the absence of an effective national sectoral union.

In 1997, there were no members of IUF affiliated unions in the region. By 2003 there were over 30,000 and by 2005 over 45,000. Roughly 75 percent of these affiliations were the direct or indirect result of union organizing drives in transnationals. Building on the successful example of organizing Nestlé's new coffee factory in Timashevsk, unions in Tula (Central Russia) have been organized in two Cargill factories still under construction.

Major financial support for organizing work within TNCs in the Eastern Europe/Central Asia subregion comes from the Dutch labor confederation FNV. In addition, one of the four coordinators of the Nestlé Coca-Cola Global Project is based in the Moscow office and works directly with the other organizers and trainers on the staff. Rising expectations among unionists in the transnational food and

drink sector in Russia have multiplied demands on the small IUF staff in Moscow. The organizing work is not yet self-sustaining financially, nor has it yet resulted in a coherent national union organization within the IUF sectors in Russia. Given the chaotic general state of the Russian labor organizations, this task will be difficult.

Sustainability of the Global Organizing Project

Russia was not the only country where the NCCGP directly resulted in union membership growth.¹² However, even relatively rapid membership growth in developing countries does not address the problem of the financial sustainability of the IUF's organizing efforts. For the foreseeable future, unions in those countries will rely on external assistance in organizing new members, for union development programs and for effective collective bargaining. IUF-affiliated unions in industrialized countries continue to contribute to these efforts through their normal dues payments, by special contributions, and by sponsoring external funding by donor organizations.

What remains relatively untested is whether unions in the Global North will try to use the IUF's growing capacity to influence the behavior of Nestlé and Coca-Cola in their own organizing drives. However, the German union representing Coke employees did use the March 2006 meeting with Coca-Cola to launch its threat to disrupt World Cup games in Germany, of which Coke was the official sponsor, to protect union employees from scheduled job reductions. Just before the games started, the union won an extraordinary agreement from Coca-Cola that union members, and they alone, would have their jobs protected from restructuring measures, an achievement that has greatly helped the union recruit new members at Coca-Cola Germany.

Bronfenbrenner and Hickey (2004) found that the success rate of organizing units of foreign-owned corporations in the United States remained low despite the use of multiple comprehensive organizing tactics, mainly because no union in its sample actually employed any international pressure tactics in the headquarters country of the TNC. There is in fact no reason to restrict these tactics to foreign-owned TNCs, since U.S.-based companies with a large global presence are often more densely organized in other countries. The UFCW's organizing drive at Smithfield's huge pork slaughterhouse in Tar Heel, North Carolina, has a strong international component organized through the IUF. On July 26, 2006, Smithfield workers in France, Spain, and Poland joined eleven UFCW locals in the United States in an international union day of symbolic action in support of the organizing drive.

The IUF and the Teamsters are exploring how best to neutralize the strong anti-union tactics by which the Coca-Cola Company and its bottlers have blocked organizing at several Odwalla, PowerAde, and Coca-Cola Enterprises facilities in the United States in recent years. Perhaps systematically applied strategies like those that have progressively removed obstructions to organizing other Coke bottlers in

authoritarian states like Russia, Pakistan, and Guatemala could succeed in the hostile antiunion climate faced by American unions.

Making Organizing the IUF's Central Organizational Priority

Over the last two years, the IUF has recalibrated its goals away from signing more International Framework Agreements (IFAs) toward an emphasis on securing union recognition and establishing a mechanism for settling disputes. The agreement signed with Coca-Cola in April 2005 was a step in that direction. The IUF's governing bodies have agreed to set much more stringent conditions on IFAs, requiring that they be signed by the IUF only if they contain practical provisions for strengthening union organizing and bargaining.¹³ The March 2007 IUF Congress is considering a policy resolution and related amendments to the IUF constitution that make union membership growth a core organizational priority and evaluating all other ongoing IUF activities in terms of their contributions to union organizing. Numerous panels and workshops on union organizing themes buttress the Congress theme "Power through Organizing."

Labor Organizing Campaigns Differ from those of NGOs

Anner et al. point out that the international campaign model most familiar among American activists, those involving apparel manufacturing in *maquiladoras* and free trade zones in Central America and the Caribbean, stem from union weakness based on inability to control highly mobile labor-intensive industries. This partial vacuum is addressed by NGOs like LEAP, National Labor Committee, and United Students Against Sweatshops that mobilize students and other consumers to put useful pressure on companies sourcing from offshore manufacturers that repress workers. Their campaigns have forced brand-name manufacturers to worry about the vulnerability of their valuable brands, creating a general atmosphere that makes such TNCs, including Coca-Cola and Nestlé, more concerned about accusations of worker rights violations. Some joint union-NGO campaigns, such as the actions to force PepsiCo and Heineken to withdraw from Burma, have worked relatively smoothly.

The IUF's global organizing project for Coca-Cola and Nestlé runs parallel to, and sometimes in conflict with, NGO-organized boycott campaigns against both companies. Some advocates of the Coke boycott have criticized the IUF and its affiliates for supporting a policy of engagement with the company rather than a boycott over charges of worker rights abuses at Coke bottlers in Colombia. At the single bottler in Carepa where an IUF affiliate represents Coke workers, successive collective bargaining campaigns expanded the ranks of permanent workers. However, Coca-Cola Femsa has practically eliminated trade union membership at the six Colombian

plants represented by the Sinaltrainal union, which has chosen not to affiliate to the IUF or ask for its support in preserving its membership against this antiunion campaign. Sinaltrainal relies on an alien torts lawsuit filed by the International Labor Rights Fund and on campus boycott activities to win a settlement for punitive damages. The IUF has not criticized the goals of the lawsuit, but its affiliates throughout the world unanimously reject the Coke boycott as an inappropriate and self-defeating tactic to further worker rights at Coca-Cola globally.

The fact that both Nestlé and Coca-Cola have extremely valuable brands that are vulnerable to negative associations with accusations of human rights violations has proved to be a two-edged sword for the IUF. IUF affiliates have at least 150,000 members working in the Coca-Cola system and some 90,000 in Nestlé, whose jobs are potentially threatened by successful consumer boycotts. Public campaigning against a partially organized company is often less effective than steadily applied pressure involving a combination of internal pressure on the company and the careful supportive engagement of relatively stable long-term partners like the National Union of Students in the United Kingdom,¹⁴ and the Interfaith Center for Corporate Responsibility (ICCR).

Among the conditions cited by Tattersall (forthcoming) for effective and sustainable coalitions are compatible structures of responsibility among coalition partners capable of disciplined dialogue when interests diverge. It would be desirable if serious Coke boycott activists in the United States were to establish a structure capable of engaging in dialogue with the IUF about effective means for compelling Coca-Cola to ensure worker rights through the global Coca-Cola system. The global organization of workers is a massive undertaking that is still taking its first baby steps, and demands open experimentation and mutual learning within a long-term disciplined coalition. We hope that this article contributes to building such a sustained effort.

Notes

1. The International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Association (IUF) is a middle-sized Global Union Federation (GUF) with some 330 affiliated unions in 120 countries with a total membership of some eleven million. Affiliates pay annual per capita of less than US\$2 on some 2.7 million members.

2. For latest information on Café, see <http://www.foodserviceworkers.org> (accessed April 11, 2007).

3. For the IUF the most painful per capita cuts were from large affiliates in Germany and the United Kingdom, reflecting reductions in their own national memberships proportionate to the overall decline in union density of 30 percent (UK) and 34 percent (Germany) from 1993 to 2003.

4. Two examples: fruit and vegetable processing from the United States to Mexico and pork packing from Denmark to Germany or Poland.

5. The IUF derives these statistics for global union density by a detailed ongoing mapping of each company's factory and distribution sites, employee numbers, details of union representation, and collective bargaining agreements. Because it requires the collaboration of grassroots activists and national union officials, sharing this information is an integral part of all company-based international meetings. That enables the IUF to pinpoint unaffiliated unions that might be recruited to the IUF and unorganized sites that can be targeted.

6. Now renamed the Nestlé/Coca-Cola-Heineken/Unilever Global Initiative (NCC-HUG). The donor organizations, relabeled Supportive Solidarity Organizations, have agreed to the integration of their funding to achieve maximum efficiency within each region.

7. To avoid confusion, we do not refer to particular solidarity actions and interventions as “campaigns,” reserving that concept for long-term efforts to change the behavior of a TNC and achieve its effective recognition of the IUF and its affiliates.

8. In August 2006, two local Nestlé unions in Pakistan coordinating through an IUF council of food and beverage workers’ unions more than doubled their memberships by forcing Nestlé to recognize the unions as representatives of so-called “supervisors” who had outnumbered rank-and-file production workers. The false designation of rank-and-file employees as supervisory or confidential is a common variant of the customary practice of excluding them from union coverage as casual, temporary, or contract employees.

9. An alternative to union organization, permissible under law in Costa Rica and Guatemala, and heavily promoted by employers.

10. http://www.iuf.org/cgi-bin/dbman/db.cgi?db=default&uid=default&ID=3999&view_records=1&ww=1&en=1 (accessed April 11, 2007).

11. Current global union density within the Coca-Cola Company and its major anchor bottlers is about 31 to 32 percent (some 150,000 union members of IUF-affiliated unions only). Recent affiliations of the Teamsters and of the Mexican Beverage Workers Union were due in part to the IUF’s work within Coca-Cola. Further increases in the density of IUF unions within Coca-Cola will have to come from new member organizing, as there are no longer any large unaffiliated Coke unions.

12. There is less spectacular but clear evidence of IUF membership growth through the organizing efforts of the NCCGP at least in Korea, the Philippines, Pakistan, Indonesia, India, Ukraine, and Romania. The IUF-supported Alliance of Coca-Cola Workers in the Philippines, whose membership had dwindled under outsourcing and third-party contracting, has recently expanded its ranks to twenty-six member local unions and eight auxiliary member unions with over two thousand members.

13. Framework agreements had facilitated recognition of the HERE Union at Accor Novotels in Toronto and New York and of Chiquita banana plantation workers in Colombia, but in general were not being used effectively enough for organizing purposes.

14. After the National Union of Students in the United Kingdom voted to maintain a policy of engagement with Coca-Cola rather than support a boycott, the IUF warned Coca-Cola not to interpret the vote as in any way absolving the company from the necessity of correcting abuses in Colombia.

References

- Agence France-Presse*. 2003. Strike-hit Nestle threatens to pull out of South Korea. September 3. www.afp.com/english/globe (accessed April 11, 2007).
- Anner, Mark; Ian Greer, Marco Hauptmeier, Nathan Lillie, and Nik Winchester. (Forthcoming) The industrial determinants of transnational solidarity: Global interunion politics in three sectors. *Global companies - global campaigns - global unions - global research*, edited volume. Ithaca: Cornell University Press.
- Bronfenbrenner, Kate. 2004. Challenges for union renewal in the U.S. Plenary address to the CRIMT Colloquium on Union Renewal, Montreal.
- Bronfenbrenner, Kate, and Robert Hickey. 2004. Changing to organize: A national assessment of union strategies. In *Rebuilding labor: Organizers and organizing in the new union movement*, edited by Ruth Milkman and Kim Voss. Ithaca: Cornell University Press.
- Coca-Cola Company. 2006. 10-K annual report to the Securities and Exchange Commission, 2005.
- Davies, Steve, and Glynne Williams. 2006. *Negotiating global unionism: Making sense of international union responses to globalization*. Paper presented at EGOS seminar on Organizing Labor and New Social Movements in an Era of Globalization, Bergen, Norway.

- Frudt, Henry. 1987. *Refreshing pauses: Coca-Cola and human rights in Guatemala*. New York: Praeger.
- . 2003. *Pausas refrescantes: La Coca-Cola y los derechos humanos in Guatemala*, updated edition. Guatemala City: Saberes.
- Gordon, Michael, and Lowell Turner. 2000. *Transnational cooperation among labor unions*. New York: Praeger.
- International Labor Organization. 1999. Technology and employment in the food and drink industries. Geneva: ILO publication.
- International Trade Union Confederation. 2006. Founding programme. http://212.35.100.122/IMG/pdf/Programme_of_the_ITUC.pdf (accessed April 11, 2007).
- International Union of Foodworkers (IUF). 2003. Negotiated agreement ends lengthy conflict at Nestlé Korea. <http://www.iuf.org/den1193> (accessed April 17, 2007).
- . 2004. Successful defense of union rights at Nestlé in Russia. <http://www.iuf.org/den2845>.
- . 2005. Joint IUF-Coca-Cola statement. <http://www.iufdocuments.org/coca-cola/archives/joint%20statement%20with%20logos-e.pdf>.
- . 2006a. Nestlé Korea labour union wins settlement, strike action averted. <http://www.iuf.org/den3246>
- . 2006b. Confronting and negotiating with transnational companies: Development of international framework agreements. Executive Committee background document.
- Milkman, Ruth, and Kim Voss, eds. 2004. *Rebuilding labor: Organizers and organizing in the new union movement*. Ithaca: Cornell University Press.
- Meyerson, Harold. 2005. Workers of the world uniting. *Washington Post*, August 27.
- Nestlé Korea Labor Union. 2003. Video on the 2003 strike, available at www.iuf.org.
- REL-UITA (Latin American IUF office). 2006. New agreement at Coca-Cola Urabà. http://www.rel-uita.org/sindicatos/con_pedraza-eng.htm (accessed April 16, 2007).
- Nissen, Bruce, ed. 2002. *Unions in a globalized environment: Changing borders, organizational boundaries, and social roles*. Armonk, NY, and London: Praeger.
- Rüb, Stefan. 2004. Can trade unions square up to the power of transnational companies? Development of the global trade union network within the Nestlé corporation. Göttingen: European and International Industrial Relations Group.
- Switzerland State Secretariat for Economic Affairs. 2003. Swiss Contact Point welcomes Korean trade union delegation. <http://www.seco-admin.ch/news/00197/index.html?lang=en> (accessed April 16, 2007).
- Tattersall, Amanda. (Forthcoming). What union community coalitions tell us about effective global union collaboration: Exploring the potential of the SEIU Global Partnerships Unit. *Global companies - global campaigns - global unions - global research*, edited volume. Ithaca: Cornell University Press.
- Trade Union Advisory Committee (TUAC). 2005. A user's guide for trade unions to the OECD guidelines to multinational enterprises. <http://www.tuac.org/publicat/guidelines-EN.pdf> (accessed April 17, 2007).

Paul Garver is a consultant for IUF Transnational Companies in North America, based in Acton, MA.

Kirill Buketov is Director of the IUF Regional Coordination Office for Eastern Europe and Central Asia based in Moscow.

Hyewon Chong is IUF Coordinator for Transnational Corporations in Northeast Asia, based in Seoul.

Beatriz Sosa Martinez is Americas Coordinator for the IUF Nestlé/Coca-Cola Global Project, based in Montevideo.