



## **Union Revival -** Organising around the world



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**Organising the future:**  
a series of discussion pamphlets

## Organising the Future

The *Organising the Future* pamphlet series aims to deepen and widen discussion about the future development of trade unions in the UK. In particular *Organising the Future* will focus on the shift in union culture and resources towards organising; union efforts to organise not only in areas of traditional strength, but in new and emerging sectors of the labour market and economy; and how unions can sharpen their appeal to traditionally under-represented sections of the workforce.

During 2003, *Organising the Future* will feature contributions from senior academics, trade unionists and politicians.

The opinions expressed within the *Organising the Future* series are those of the authors, rather than the TUC.

## Union Revival - Organising around the world

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# Introduction



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**The decline of the trade union movement around the world is a familiar and depressing story.** Less well known is the fact that union movements in many countries are re-organising and becoming more pro-active as they try to turn the tide and revive themselves. Union leaderships are increasingly recognising that they are not powerless in the face of increased global competition and the continuing spread of multinational corporations. There are measures and policies they can adopt which, under the right conditions, can contribute to union revitalisation. The aim of this pamphlet is to summarise the most relevant evidence from around the world and to draw out some of the lessons for the British labour movement.

Before doing so it is worth making one general point about union decline. Whether it is measured by loss of membership or density, loss of bargaining power, falling levels of strikes and mobilisation or waning political influence, union decline was a very common experience around the world in the 1980s and 1990s. But it was never a universal experience even if it was an accurate summary of events in Britain. Throughout the 1990s union movements in Scandinavia retained high levels of membership density and influence in the face of major economic restructuring and rapid rises in unemployment. Further south, unions in the former authoritarian states of Greece, Spain and Portugal displayed levels of vitality and activity that were far in excess of many European counterparts. In the southern hemisphere, union

federations in South Africa and Brazil played critical roles in the struggle for basic democratic rights, allying themselves with a range of political organisations and fuelling debates about a new 'social movement unionism'. In Asia the union movement in Korea, for example, has played a key role in protecting workers' interests within the confines of a highly authoritarian political regime, boosting its membership in the process.

There is now growing evidence, however, that union movements in the heartlands of Western capitalism are beginning to recover from the setbacks of recent years and it is their experiences that form the core of this pamphlet.

## Union revival and power resources

### **Unions need power resources in order to function.**

This is true whether it is securing the right to negotiate and represent workers, putting pressure on the employer in collective bargaining or exerting influence over governments. The most traditional and familiar power resource is the withdrawal of labour in a single firm or group of firms. International strike statistics demonstrate all too clearly that this resource has proved increasingly hard to mobilise. Nevertheless recent events, such as the national local government pay dispute of July 2002, which resulted in a 7.7% pay rise over two years, show that collective

action can still be effective. Even more significant for the future of the trade union movement was the fact that this strike was the largest ever stoppage of work by women in Britain. But it is also clear that the traditional power resource of organised workers – the withdrawal of labour – needs to be supplemented with additional weapons if workers' terms and conditions are to be defended and improved. International experience provides numerous examples of what these additional resources might be and broadly speaking they fall under four headings: international solidarity action involving workers from other countries; coalitions with campaigning groups and social movements; accessing political power, at local, national and international levels; and corporate campaigns designed to divide employers and shareholders. The distinctions are not hard and fast, as will become clear, because more often than not successful campaigns involve multiple tactics targeted at different points of leverage within a company's overall process of production and distribution.

## International solidarity action

**In itself this type of action is hardly new: indeed solidarity action across national frontiers reaches back into the nineteenth century.** The dockers' strike of 1889 for example received enormous support from dockers in Australia. But the spread of multinational

corporations has created both new types of threat to organised labour but also new opportunities and two examples will illustrate the possibilities.

The International Transport Workers' Federation (ITF) has recently become one of the first union organisations to secure some form of effective, international collective bargaining which now covers approximately thirty per cent of all ships. For many years now the majority of shipping companies have taken to registering their vessels in countries with minimal labour standards to avoid effective regulation of wages and conditions (the ships then sail under so-called 'flags of convenience'). Moreover, by hiring crews from less developed countries they have for many years been able to cut labour costs and boost profits. How has the ITF countered the downward pressure on wages? They have used two key resources and focused them on the point at which the ship owners are most vulnerable: the time spent entering, loading/unloading and leaving port. This turnaround time is enormously expensive and even small delays can significantly raise the operating costs for the ship owners. Information about ships and their crews and cargoes comes from growing numbers of full-time ITF representatives deployed at key ports on international trade routes. These inspectors are critical: they show that the international union can have a real presence in local situations, and this fact alone has helped strengthen the resolve and union commitment of local workers. Pressure on turnaround time comes from collective action by local dockworkers. On this basis the ITF has been able to secure agreement on minimum labour standards, including wages, for a growing number of workers. The achievement has not come easily and it has been

expensive to hire and deploy inspectors around the world, but the results to date are impressive.

A second example comes from the USA where the threat of plant relocation to Mexico or other parts of Central America has long been a major instrument in the repertoire of employers. American clothing and textile unions have increasingly realised that so long as these countries have large reserves of unorganised workers they will continue to prove an irresistible attraction for multinationals in search of cheap labour. One of many firms targeted by US labour was the Bibong Apparel Company, operating in the Dominican Republic. Successive attempts to build up union membership had been defeated as the employer illegally fired union activists. With the assistance of US and European trade unionists a fresh organising drive got underway in 1993. This time however pressure was also brought to bear through political lobbying. The US was a big market for Bibong and unions were therefore able to exploit US trade regulations to question the duty-free status enjoyed by the company's products. At the same time they also targeted retail outlets with a publicity campaign, branding the company's products as cheap labour goods. Eventually the employer was brought to the negotiating table and a collective agreement was signed in 1994. In this case again it was a combination of methods that succeeded where single methods had failed. The combination worked because it simultaneously hit two corporate weak spots: the company's labour process was vulnerable to disruption because of delivery pressures from customers; and the distribution process was vulnerable because of heavy dependence on the US market, a dependency US unions were able to exploit and turn against the company.

# Coalition building

**British evidence suggests that unions tend to construct coalitions with campaigning groups and social movements when other channels of influence – through the state or via collective bargaining – are ineffective or unavailable.** Not surprisingly then it is US unions, operating in a very inhospitable climate, who have most experience of this form of action and two examples will illustrate some of the issues involved: the living wage campaign and the anti-sweatshop movement.

The living wage campaign began in Baltimore in 1994 and has since spread to cover scores of cities across the north east and west coast of America. The objective of the campaign is to improve the wages and conditions provided by companies working in conjunction with city councils. Councils dispense large amounts of money to private firms either through contracts for services, such as building maintenance and refuse collection for example, or through local economic development programmes. This money in turn provides them with significant economic and political power at the point when firms bid for contracts. The aim of the living wage campaigns has been to access this power and persuade city councils to insist that contractors must agree to a number of specified terms. The most common clause stipulates a minimum hourly wage above the national level, but some local regulations also cover fringe benefits such as health insurance. Union pressure has played the major role in these campaigns but unions have

rarely acted alone. Normally the campaign has been initiated and organised by a coalition of unions, central labour councils (the equivalent of British trades councils), religious organisations and community groups. There are now 82 'living wage ordinances' around the USA and many more campaigns are currently underway. By allying themselves with a broad range of local groups, unions have been able to frame their key demands in terms of social justice and secure widespread support. As a result they have undermined the employer retort that the campaign was no more than the sectional demand of a small and unrepresentative group that would raise local taxes. The campaigns have generally been very successful in raising wages amongst low paid segments of the labour force, but to date have made less impact on union organising. There is one similar campaign in the UK run by The East London Communities Organisation (TELCO) and like its US counterparts it has involved coalition building between unions and community groups and has targeted the employers of low paid workers.

Another example comes from the international sphere where clothing workers' union UNITE has allied with student groups to pressure household name multinational firms such as Nike. UNITE has experienced a substantial growth in US plant closures followed by relocation to developing countries such as Indonesia. Although it has been unable to stem the flow of manufacturing jobs, UNITE has been able to position itself as a powerful and effective agency of social justice by campaigning around the wages paid to Third World workers. From 1996, growing numbers of union-trained student activists began to set up local branches of an organisation called Students Against Sweatshops (SAS) and to agitate around sweatshop conditions in Third World

countries. In the case of Nike, joint work between UNITE and SAS focused mainly on generating bad publicity, with the aim of tarnishing the fashionable image of Nike trainers. A domestic consumer boycott was unrealistic given the product's popularity but several local SAS branches did discover the power of a collective boycott. Nike sponsors sports programmes at a number of major US universities in contracts worth millions of dollars to the company and to the universities. Campaigns by SAS and UNITE were able to pressure a number of college authorities into cancelling Nike sponsorships. The result of all this activity has been some improvement in wages for Nike's Third World employees. Moreover Nike and a number of other MNCs, such as Shell and Levi Strauss, have responded to US and international union pressure (from the ICFTU and a number of International Trade Secretariats) by adopting Global Corporate Codes of Conduct which supposedly commit them to fair treatment of their employees around the world. Many trade unionists will be rightly cynical about the value of these documents, especially in the light of Levi's recent decision to shut down most of their US plants and produce overseas. Nevertheless their mere existence can provide another source of leverage over multinational companies.

## Accessing political power

**The Living Wage campaign (described on page 8) provides one example of unions accessing political power, in that case at local level.** Another example is the Justice for Janitors campaign, popularised

in the Ken Loach film *Bread and Roses*. This began in Los Angeles in 1988 and was led by the Service Workers Union SEIU, a leading force in the creation and spread of the 'Organising Model' of trade unionism. The office cleaning sector comprises an enormous number of very small firms and therefore looks like a union organiser's nightmare. But the inevitable concentration of capital meant that by the late 1980s just two firms, ABM and ISS, accounted for over 25 per cent of all employment in the Los Angeles area. The organising campaign itself was primarily focused around these two firms and did succeed in forcing them to negotiate with the unions and raise wages and conditions. At the same time however the union was also able to apply political pressure within the cleaning sector as a whole: one method of doing this was planned, the other was fortuitous. Permission to put up new office blocks had to be secured from the city's Community Redevelopment Authority and by lobbying this body local unions were able to secure a series of pro-union clauses in new development agreements. The fortuitous source of political pressure was provided by the Los Angeles Police Department. The Justice for Janitors campaign had become increasingly militant through spring 1990 with union activists despatched to picket corporate executives at a series of locations, including their private homes, favourite restaurants and golf courses. In June of that year a demonstration in the city's business district was attacked and violently broken up by police. The union exploited the incident to the full, running a very successful publicity campaign which attracted a lot of public sympathy and helped put yet more pressure on the cleaning companies.

Within Europe union movements have often regarded political action as something focused around governments. In recent years there has been a revival across Europe of what have come to be known as social pacts, discussions between governments and unions which aim to reach agreement over a range of labour market reforms. These pacts vary considerably in origins, content and outcomes. Some have involved strict wage guidelines, as in Belgium, Finland and Ireland; others have involved looser pay guidelines, as in Italy, the Netherlands and Portugal; others again have been focused more on labour market reforms than on pay, as in Germany and Spain. There is no single reason for union involvement in all these cases; the reasons vary but fall under two broad headings. The leaderships of some weaker movements were afraid that the alternative to participation in such talks, even about pay restraint, was union marginalisation. Second, and more positively, some union federations have seen social pacts as a way of positioning the union movement as a key actor in the political system, ensuring that its voice is taken seriously. One example here is Italy. Following the collapse of the party political system in the early 1990s, the leaderships of the three main confederations moved quickly to build relations with the new government. They correctly appreciated that trade unions were one of the very few bodies in Italy with any legitimacy because they were untainted by charges of corruption. Another example comes from Spain where the right wing Aznar government, first elected in 1996, was anxious to reform labour market regulations in order to ease dismissals and redundancies. Spanish unions were able to exploit governmental weakness – Aznar's first administration was a minority government – and extract some concessions.

The Labour government has certainly involved unions in discussions on policy to a greater extent than its Conservative predecessor. At the 2002 TUC Congress Tony Blair even spoke of a partnership with the unions. But why is it the case many European governments have been willing to go much further and enter formal social pacts with union confederations? Essentially governments have been willing to engage in meaningful negotiations with unions when they have been dependent on them for successful policy implementation. Such dependency can arise for a number of different reasons: a government committed to labour market reform may be weak, as with the minority Aznar administration in Spain (1996-2001). Moreover in the Spanish industrial relations system, as in many others throughout continental Europe, collective agreements negotiated between unions and employers are extended to cover most of the workforce. Governments can therefore have some confidence that national agreements with unions on wages or conditions can and will be implemented across the economy as a whole. Again, in a number of countries, such as Belgium, Ireland and Portugal, governments keen to control public expenditure have negotiated wage agreements and other social or labour market reforms with union movements. Finally, several European governments have confronted powerful and well-organised union movements willing to back their political demands with actions such as general strikes. The most recent examples are the campaigns in Italy and Spain around proposals to relax the dismissal laws. One conclusion we can draw is that governments will negotiate with unions when they have to or when it is in their interests to do so.

# Corporate campaigns

**Conventional wisdom has it that national unions are often powerless in the face of international corporations because whilst capital can move around the globe, workers generally cannot.**

So when the Prudential Insurance company announced recently it was to axe hundreds of jobs in Britain and replace them with jobs in a call centre in India, there seemed little that could be done. The evidence from successful corporate campaigns however shows that workers don't need to move around the world to confront multinational corporations: it is international worker organisation, not mobility, that is far more critical. Two examples again illustrate the principles involved.

In 1993 the Peabody company, America's largest coal mining firm, deliberately forced a strike by the United Mineworkers (UMWA) as part of the coal owners long-term plan to de-unionise the entire industry. At the peak of the strike, in summer 1993, 18,000 miners were engaged in strike action across seven US states. However as Peabody was owned by the multinational holding company Hanson plc, it was clear to the UMWA that Hanson would absorb the profits cut in Peabody and simply sit out the strike until the miners gave in. The UMWA therefore searched around for other power resources to pressure the company. Three familiar tactics in the union's repertoire were quickly started up, the first of which was international solidarity action at Hanson-

owned firms around the world. For example South African workers staged a 24-hour strike at a battery factory in Port Elizabeth. Coalitions were built with progressive religious groups in the US around the theme of Hanson's third world sweatshops. The Clinton administration was officially asked by the UMWA to investigate Hanson's third world labour practices and agreed to do so. Unusually, however, the UMWA also decided to try and mobilise corporate shareholders, some of whom were becoming alarmed at the mounting losses due to the strike as well as the adverse publicity. The union leadership offered to shareholders a classic defence of union-management partnership: labour-management co-operation would improve both profits and wages far more effectively than Peabody's aggressive anti-union approach to management. By a stroke of luck the union campaign was helped by Lord Hanson himself who had quietly tabled a motion at the forthcoming company AGM that would have reduced the voting rights of corporate shareholders. Once news of this leaked out, the way was clear for an unusual, and broad alliance against the Hanson-Peabody top management team. Nine months after the strike began Peabody climbed down and signed a collective agreement acceptable to the union.

Another example comes from the telecommunications industry. For many years the major telephone companies around the world were often state-owned monopolies and heavily unionised. A combination of government-driven deregulation and technological change has transformed the industry, opening it up to new firms and forcing many existing firms into mergers. One such firm

was Ameritech which in the early 1990s rapidly bought up telephone companies in Europe to add to its core US holdings. There were two key elements in the company's industrial relations strategy. In its unionised establishments it pursued a sweeping programme of contracting out so that unionised jobs were literally removed from the corporation. In its newly acquired companies it ran aggressive campaigns to counter union organising drives. Over a period of years union density levels had fallen steadily as a result. By late 1997 the leadership of the Communication Workers of America (CWA) decided to step up contacts with union counterparts in other areas of the Ameritech empire. A meeting in January 1998 involved unions from Belgium, Denmark, Hungary and the US and decided on a mass lobby of the company's AGM in April followed by an international day of action in June to protest against the company's policies. Not surprisingly in the turbulent world of telecommunications the AGM was to debate an acquisition proposal from a US rival, SBC, with whom the CWA enjoyed a good working relationship. Both the lobby of the AGM and the International Day of Action went ahead as planned. Both alarmed the new SBC management sufficiently for it to invite the Ameritech unions to the first of a series of meetings in February 1999 to discuss the issues at stake.

## Conclusions

**This pamphlet has provided a small number of examples of successful and innovative activity from union movements in other parts of the world.** What are the general lessons that can be drawn from these cases of international solidarity, coalition building, accessing political power and corporate campaigning? First unions can access and use a wide range of power resources in negotiations and disputes with employers and governments. Action by the employees of a single firm is important but it is by no means the only resource available. Second, although multinational corporations and governments are powerful adversaries, they also have weaknesses and vulnerabilities. Moreover the power structures of large multinational firms will often contain divisions, for example between institutional investors and the company top management or between the central management team in the multinational's home base and local management in its third world plants. Union campaigns succeed where they can identify weaknesses and divisions and exploit them. Third, although the willingness of workers to take collective action is often a critical component of success, it is not always sufficient to defeat powerful opponents: additional resources need to be deployed where appropriate. These might come from other workers, from local and national governments, from organised consumers, from campaigning groups and from social movements. Fourth, many of the successful campaigns described earlier have used a range of tactics

simultaneously: building coalitions for instance is not an alternative to strike action but a useful, sometimes a necessary, supplement to it. Fifth, effective campaigning against multinationals and governments is enormously time consuming and resource intensive. Just as union organising only succeeds where unions divert resources into it and build up a cadre of activists, the same is true of the campaigns described in this pamphlet. For example, the ITF's international regulation of wages only became possible when the Federation decided to spend substantial sums of money to hire and deploy inspectors around the world. Without that level of resource commitment the ITF would simply not have made progress. The final lesson is that even in the most adverse settings union action of some kind is still possible and can often make a significant difference to the lives of working people.

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Details of all the campaigns described here can be found in the books and journals listed on the next page.

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