Leveraging Labor Institutions Abroad: Co-determination and Why Employers Sometimes Support Labor Activists in Host Countries

Marissa BROOKES, Department of Political Science; University of California, Riverside, USA
Sabrina ZAJAK, Ruhr-University Bochum, Germany

Abstract: What causes multinational corporations to support host-country labor activists, even when doing so seems contrary to employers' economic interests? Neither IPE theories of global value chains, which emphasize MNCs' pursuit of low wages and labor control, nor CPE theories centered on national institutional frameworks, which tend to treat the international economic context as exogenous, can explain this transnational cooperation. Combining insights from IPE and CPE with international relations theories of transnational activism, and insights on co-determination however, can explain this phenomenon. We test the hypothesis that an employer will support demands of with host-country trade unions or labor activists if those can convince a works council in the employer's home country of shared interests and if the works council is willing and able to use its co-determination power to influence top management and corporate practices. Using original data we explore how transnational networks of labour among trade unionist emerge across home and host countries and how co-determination structures in Germany are used to leverage employer support for workers employed directly or indirectly by Adidas, H&M, Bosch, Haniel and IKEA. This paper highlights the relevance of co-determination shaping supply chain politics. It speaks to ongoing debates across IPE, CPE, and IR about the transformation of employment relations institutions in global value chains, the enduring relevance of national institutions in the global economy, and new forms of international cooperation among non-state actors.