New Coalitions in International Employment Relations

Networks of Labour Leveraging Co-determination Institutions Abroad

Sabrina Zajak (Ruhr-University Bochum)
Marissa Brookes (University of California, Riverside)

Employment relations under supply chain capitalism

- Supply chain capitalism (Tsing 2008), based on the exploitation of labour and pre-existing and intersecting inequalities in low cost countries (mainly Asia).
- GVCs allow MNCs to drive down labor costs, “shop around” for best institutional setting and legaly decouple from strong labour institutions (Lakhani, Kuruvilla, and Avgar 2013)
- GVC structures **exclude** workers in supply chains from accessing co-determination structures in Europe/Germany (despite transnational governance institutions and framework agreements)
- Is it still possible for workers in supply chains in host countries to access co-determination institutions?

Key questions and argument

Can workers/unions from supplier sites with weak institutional contexts make use of strong national institutions in MNC home countries or consumer markets?

Can **national**-level institutions still matter in a world of **transnational** actors & structures?

> Transnational networks of labour can help workers to take advantage of the various institutional contexts GVCs are embedded in: they create access to German co-determination structures

Transnational Networks of Labour

- Integrating theories from social movements, international relations and labour studies
- Social movement unionism: coalitional power helps to overcome structural, associational weakness of labour (Schmalz and Dörre 2013; Webster 2015)
- Transnational advocacy networks (TAN) (Keck and Sikkink 1998) TANs pressure their own, more powerful states to intervene in another state's domestic affairs on behalf the local actors (boomerang model)
- Transnational networks of labour activism (NOLA) "are neither solely connected to the position of labour in production processes, nor wholly reliant on the soft and discursive power of advocacy coalitions. NOLAs are characterized by the interaction of different types of labour rights, social movement and community organizations, joining forces in complex forms of strategizing vis-`a-vis multiple targets." (Zajak, Piper, Egels-Zanden 2017)

Transnational Institutional Power

- How do workers use national institutions in other countries to alter the behavior of MNCs?
- Two steps:

1) weaker workers in host country **connect** with stronger union or works council based in same country as MNC
2) stronger union or works council **communicates** with MNC on behalf of host-country workers & **convinces** it to **change** its and its subsidiary's or supplier's behavior in the host country

How many Attempts to Exercise Transnational Institutional Power? Challenge of identifying cases

employer	weaker actor	stronger actor	outcome
DT / T-Mobile	CWA (USA)	ver.di (Germany)	ongoing
IKEA / Swedwood	IAM (USA)	GS (Sweden)	success
H&M / Yuen Yen	GATWU (India)	DGB, ver.di (Germany)	success
Accor	HERE (USA)	Accor EWC	success
Adidas	workers (China)	Adidas works council (Germany)	failure
Volkswagen	UAW (USA)	IG Metall (Germany)	ongoing
Brylane / PPR	UNITE (USA)	CFDT, CGT, FO (France)	success
Unilever	workers (Pakistan)	FNV (Netherlands)	success
Novamed/ Fresenius	workers (Turkey)	IG BCE (Germany)	failure
Hochtief / Leighton Holdings	CFMEU (Australia), workers in HK, Phil., & Malaysia	IG BAU (Germany)	failure
Tesco / Fresh & Easy	UFCW (USA)	USDAW (UK)	failure
First Group	SEIU (USA)	T&G (UK)	mixed
G4S	SEIU (USA)	GMB (UK)	success

Specific conditions to access co-determination institutions from abroad

- Building networks: based on pre-existing ties, bridge building, and issue resonance
- Issue must align with everyday work of the works council (Hauser-Dietz and Wilke 2005)
- Competence and interest of the work council (Virtols 2011)
- Specific strength of works council in this MNC, also depending on Mitbestimmungskultur (“culture of co-determination”) in the company (Beile et al. 2010)
- Ability of the MNC to impact supplier (GVC structure, framework agreement, CSR, low risk)

Summary of necessary conditions

- **[**(A + B + C) * D**]** * **[**(E +F +G) * H**]** ➔ **Y1**

A = bridge builder + B = issue resonance + C = pre-existing network AND D = institutional power

AND

E = low risk + F = issue linkage + G = public relations issue AND H = direct ownership/control

Equals

Y1 = positive employer action

Adidas & Yue Yuen

Adidas & Yue Yuen

The issue: Yue Yuen = biggest shoe producer in the world

- Workers resistance against pensions and social insurance paid less than required by the law, strike from 5th to 24th April 2014 with 40,000 workers involved.
- Strike received support from student movements, Hong Kong groups and activist groups around the world

The network:

- Ad-hoc network attempts: Former trade unionists tried to contact Adidas and Adidas work council

The result:

- no support by works council for the retirement issue, but for interventions for arrested workers.
- Agreement between management and works council

Bosch und subsidiary ABC

The case:

- firing of 17 trade trade unionists organizing with Birlesik-Metall in Turkey in 2011

The network:

- pre-existing ties between IGMetall and Birlesik-Metall through BMZ/DGB Bildungswerk Projekt „Social Dialogue in Turkey“ 2006-2009
- Meetings with Birlesik-Metall and IGMetall Germany

The effect:

IGMetall could not the support of the Bosch works coucil, despite considerable framing effort. WC accepted TurkMetall as the main union. IndustriAll as well

H&M

GATWU
Garment And Textile Workers Union
(Affiliated to New Trade Union Initiative – NTUI)

H&M
H&M

exCHAINS

H&M
SALE SALE SALE

H&M

The issue: illegal firing of workers, Indian Textile Company

The network:

- long term networks with routinized interactions
- facilitated by the TIE network & ExChains network (textile industry), connecting work councils and trade unions across different countries
- joint campaign for better working conditions in home and host countries

The effect:

- effective intervention of the H&M *Gesamtbetriebsrat* (general works council)
- politicization of the works councils with support of organized workers in Germany

Discussion

- MNCs **take advantage** of more favorable institutional contexts outside home country
- but workers can also “**relocate**” conflict to more **favorable** institutional contexts with help from other workers, works councils, unions abroad
- Yet networks are **highly volatile** and difficult to construct and maintain
- We need sophisticated **social network analysis** and link it to co-determination research

What does co-determination do? What can we learn from research?

- Co-determination to influence working conditions in supply chains need **trade union activists**
- IFAs, EWCs and transnational institutions **do not** automatically mean an inclusion of workers voice from suppliers.
- There needs to be **institutionalisiation of labour networks** within and outside of IFAs.
- **Digital networking** among workers and works councils should be **facilitated** by global unions, ITUC not blocked

Thank you.