Governance of transnational union networks (TUN): Re-assembling global union organizations by networks?

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Workshop: "Negotiating, Implementing, Networking. Insights on the IFA Process"
Overview

1. Background: Berlin IFA project
2. Transnational union networks
3. Initial findings
4. Discussion
Background: International Framework Agreements (IFAs) are...

... based on contract relationships between transnational corporations (TNCs) and global union federations (GUFs)

- mutual recognition management + labor
- mechanisms of conflict resolution and
- standard setting regarding
  - ILO core labour standards,
  - additional ILO conventions,
within a defined organizational domain.

IFAs: instrument between unilateral self-restriction and international law (ILO).

But: there is only a relatively small number of IFAs (80+), compared to 900+ EWCs for example (ETUI 2008)
1. Motivation for concluding an IFA

- What motivates TNC management?
- What motivates global/national unions?

2. Implementation of IFA

- How are IFAs communicated and implemented within TNCs?
- To what extent and how are suppliers also included?
- How do local operations (management, trade unions) participate in these processes?
### Research Design: Case Selection

<table>
<thead>
<tr>
<th>Region of origin</th>
<th>Industry/GUF domain</th>
<th>Host countries</th>
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<tbody>
<tr>
<td>TNCs headquartered in the EU (majority of all IFAs has been concluded by TNCs from continental Europe)</td>
<td>Four industries (four GUFs have signed the bulk of IFAs): • IMF • UNI • ICEM • BWI</td>
<td>Four host countries (due to their special position in global division of labor and industrial relations systems): • Brazil • India • Turkey • USA</td>
</tr>
</tbody>
</table>

**Data:** ~ 16 cases, ~ 150 interviews (HQ and local actors, experts)
Transnational union networks: Neglected in literature on…

• Global supply chains and global value chains
  (e.g. Gereffi et al. 2005; exception: Cumbers 2008 “social justice networks”)

• Social movements and institutional work
  (e.g. Lawrence and Suddaby 2006, Lawrence 2008)

• Transnational institution building and non-state governance
  (e.g. Börzel and Risse 2010; Djelic and Quack 2003)

→ Governance & Management of Transnational Union Networks:

*Can global unions become effective by organizing themselves as network management units?*
Transnational union networks: The bargaining arena model

Economic forces

Embedded in institutional structures & rules (e.g. ILO, EU, national)

Institutional forces

Multi-level relationships

Third parties

Political forces

GPN

TUN

Helfen/Fichter: Transnational union networks
Transnational union networks (TUN) as consisting of four interrelated elements:

1. Constructed in a **fragmented transnational arena** of industrial relations,

2. Created as an **inter-organizational network among labour organizations** from different countries and organizational levels

3. *Spun around* an economic network structure, i.e. a **Global Production Network (GPN),**

4. **Without having a center of hierarchical authority** to control the contributions and resources of participants.

**AIM:** Realize collective action to achieve a set of commonly shared goals
Transnational union networks model: Influence on Global production networks

Global production networks (GPN)

HQ-subsidary relationships (2):
- a) transplant,
- b) hybridization,
- c) local adaptation

Buyer-supplier relationships (3):
- a) market,
- b) network,
- c) hierarchy
Governance of TUNs

• TNCs: globalizing production – from "hierarchical chains" to networks. Boundaries become permeable

• From the core to the periphery. Diminishing standards.

• Union response: Tackling fragmented production with networks of associational power
  Trade Unions – Employee Representatives – NGOs

• GUFs as network coordinators

Effective input into the governance of labour in GPN depends on global union capacity for "network management"
Organizational theory and public management

• (shared) participant-governed networks
• Networks governed by lead organization(s)
• Networks governed by administrative organization

Key structural and relational contingencies

• Task-related, i.e. need for network-level action
• Size, i.e. number of participants
• Goal consensus and Trust

(Source: Provan & Kenis, 2007)
### Initial Findings:
**Relevant relationships in Transnational Union Networks**

<table>
<thead>
<tr>
<th></th>
<th>Labour internal</th>
<th>Labour-management relations</th>
<th>Labour-third party relations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Horizontal</strong></td>
<td>National union-employee representation Industry union - industry union</td>
<td>GUF-HQ management Local union-subsidiary management</td>
<td>unions-NGO cooperation</td>
</tr>
<tr>
<td><strong>Vertical</strong></td>
<td>global-national national-local subsidiary union-supplier union</td>
<td>National/local union - HQ management</td>
<td>unions-institutions coordination</td>
</tr>
</tbody>
</table>
Table 1. Number and distribution of case interviews

<table>
<thead>
<tr>
<th>Case</th>
<th>Domain of</th>
<th>GUFs</th>
<th>Labour reps HQ</th>
<th>Labour reps host country</th>
<th>total</th>
</tr>
</thead>
<tbody>
<tr>
<td>MetalCorp</td>
<td>IMF</td>
<td>2</td>
<td>3</td>
<td>8</td>
<td>13</td>
</tr>
<tr>
<td>SecureCorp</td>
<td>UNI</td>
<td>3</td>
<td>1</td>
<td>6</td>
<td>10</td>
</tr>
</tbody>
</table>
Case 1: MetalCorp

Automotive Industry:
• production processes rely on highly-skilled labour forces.
• Core production sites traditionally well-organized.
  Structural and associational power. Countervailing power approach

International Metalworkers' Federation:
• 18 International Framework Agreements.
• Strategy: reflects existing focal points of union power and voice.

GPNs are being reconfigured through sub-contracting of industrial services and temporary work, thus undercutting the standards of the core firms.

• Action program 2009-2013: Networks.
  Affiliates from the home countries of TNCs to utilize their core sphere of strength at the workplace in key TNCs to build cross-border cooperation. Negotiate with management for recognition
Case 1: MetalCorp

**MetalCorp:**
- HQ TU hand in glove with works council: world employee body + IFA

**TUN:**
- Centered around WC.
- Close interaction with HQ union
- IMF "background coordinator".
- Some interaction with selected affiliates
- re-active interaction with affiliates on violations

*IMF has (re-)delegated its mandate for coordinating the TUN back to the employee representation operating at the HQ level.*
"It's easiest when there is a strong employee representation at the HQ location which claims ownership for the question of creating and maintaining a network and provides personal capacity for (...) organizing meetings, providing a communication platform and contacts (IMF automotive coordinator).

"Communication is a permanent challenge. If you sit at your desk and think about how to reach colleagues worldwide, you start to doubt how this could be accomplished at all." (MetalCorp, works councillor)

**Assessment:**

- The dominant role of the headquarter location within the overall structure of the GPN is an obstacle to networking the GPN.
- Coordination of TUN is complicated by differences in local labour-management relations.
- IMF in a backseat role and not the leading network coordinator.
Case 2: SecureCorp

**Service Sector:**
- no tradition of social partnership.
- Highly fragmented GPN, low-skill and casual employment widespread.

**UNI Global Union:** Global Agreement (IFA) strategy.
- Quantity matters
- Involve the affiliates. Organizing is the key.

**SecureCorp:**
- International campaign over 5 years successfully wins recognition
- GA enabled local workers to organize. Malawi, South Africa, India, US
- UNI has full control over network. Limits put on role of HQ union
- Joint implementation strategy UNI – SecureCorp HQ management
- Local Management not necessarily cooperative. Example: India
  UNI builds union network across organizational and ideological boundaries
“We have an issue of expectations. They [Indian unionists] thought that [the IFA] would solve all our problems. That the company would react. Well, it has actually. It has, but not the way they’d like. We need to show them that this can work. Patience is not easy to come by here though.” (Interview with UNI official).

Assessment:

• Need for support from the GUF for local unions. Communication
• Pro-active approach and inter-action with TNC HQ management
TUNs can

• Enable GUFs and their affiliates to engage in GPN governance
• Redefine the boundaries of labour relations beyond the nation-state, the industry or single firm level to match the economic fluidity of today's global production processes.
• Take up the challenge of connecting core and periphery of GPN.

Limitations of TUNs around IFAs: still very corporate-specific

MetalCorp: IFAs are an expression of already achieved representational structures. From a GUF standpoint – large gaps in cross-border representation.

• Network building facilitated by a common ideological frame of coordination/collaboration
• "transnational solidarity" as a political value must allow for diversity in company cultures, IR traditions and union approaches.
## Initial Findings: GPN and modes of TUN governance

<table>
<thead>
<tr>
<th>Transnational arena of labour relations driven by</th>
<th>Modes of union network governance</th>
<th>Relationship management focus</th>
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<tbody>
<tr>
<td>Fluid GPN</td>
<td>Decentralized, collective self-governance</td>
<td>Increase top-down exchange, establish vertical connections bottom-up, increase support connections to third parties</td>
</tr>
<tr>
<td>Semi-stable GPN</td>
<td>Group of coordinated lead organizations</td>
<td>Increase inclusiveness, maintain balance of horizontal and vertical connections</td>
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<tr>
<td>Stable GPN</td>
<td>Single organization, highly centralized network broker</td>
<td>Strengthening horizontal links on different levels, ensure bottom-up exchange</td>
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Governance of transnational union networks is a useful contribution to theory on global production networks, institutional work and industrial relations
i.e. understanding TUN governance illuminates global union policy, dissemination of global labor standards, and supply chain risks

Unions’ network management has an impact on the success or failure of global initiatives for labor standards:
e.g. (mis)matches between mode of TUN governance, type of GPN & relationship management practices

Open questions:
  Theory development?
  Empirical analysis?
  Structure and process?
  Application to other fields?