

# NEW AMERICAN CONTRACT

A 21<sup>ST</sup> CENTURY ECONOMIC GROWTH AGENDA

## Workers of the World

A Report on the Rise of Global Unions and the Case for International Labor Standards

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Davos Man, by all accounts, is worried. The severity of the global economic recession has alarmed many of the architects of the global economy. Fears of resurgent economic nationalism are rampant. At the same time, some world leaders – most prominently, French President Nikolas Sarkozy, as well as German Chancellor Angela Merkel – argue for instituting a new regime of regulation for the financial sector that will be global rather than merely national in scale.

Such a regime is long overdue. The mobility of capital has enfeebled the power of national regulations to limit risk and chicanery in the financial system. The economic crisis, of course, can't be solved simply by globalizing, and strengthening, financial regulation. Neither fiscal nor regulatory policy, even when enacted on a global scale, can address the widening economic inequality that has resulted from the neo-liberal policies of recent decades. In the United States, neither new fiscal nor regulatory policies will undo the popular revolt against globalization that manifested itself in last year's election campaigns. They cannot undo the fact that household incomes have stagnated even while the economy was growing, and that the exposure of American labor to global competition was a factor in that stagnation.

In its *Global Wage Report, 2008-2009*, the International Labor Organization noted that in 28 of the 38 nations on which it could obtain reliable data, wages as a share of Gross Domestic Product (GDP) declined in 2001-2007 from the 1995-2000 period, and that the United States was one of the 28 nations that experienced such wage-share decline. Globalization, the ILO reported, was a factor in this decline: "We found that over the past decade the countries in which trade was growing as a percentage of GDP were also the countries with the fastest decline in wage share...." Indeed, wages declined as a share of GDP at both ends of the bilateral relationship that is the centerpiece of world trade – in China (where wages went from constituting 52 percent of GDP in the late 1990s to 40 percent today) and the United States.<sup>1</sup>

The regression analyses merely validate Americans' view of globalization as something that enriches the nation's elites while putting downward pressure on their own incomes.

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<sup>1</sup> International Labor Organization, *Global Wage Report, 2008-2009*, pp 20-22.  
[http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms\\_100790.pdf](http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_100790.pdf)

After all, the managed-trade treaties that go under the misnomer of “free trade” provide protections for intellectual property and foreign investors, but no protections for workers – no mandates for labor standards or the right to form unions. That is why globalization as it has been practiced over the past quarter-century has failed to win popular support within more and more sectors of the population.

## **Labor and the Crisis of Globalization**

For decades, globalization’s champions have denounced globalization’s critics, labor unions most particularly and consistently, as protectionist. Such denunciations overlook the fact that the United States – not just its workers but its industrialists and its government – favored and enacted mercantilist policies from our founding well into the 20<sup>th</sup> century, and that many of our leading trading partners, China most particularly, remain mercantilist to this day. But as financial and corporate elites have prospered from the globalization of recent decades, they have grown increasingly critical of unions whose members have lost jobs and income as a consequence of the rapid development of a global labor market.

The unions’ critics were right in one particular, however: Rooted in one nation, unions historically proposed national solutions – tariffs, especially – to the problem of global low-wage labor undercutting their members’ incomes or eliminating their members’ jobs. In neither of the two arenas in which unions exercise power – collective bargaining and politics – was labor able to “go global.” There were no global unions. There was no global state upon which to exert political pressure.

In this paper, I will outline how all that has begun to change. After decades of dealing with multinational employers as distinct national unions, labor organizations have formed global partnerships over the past three years. Significant U.S.-based unions – most prominently, the United Steelworkers and the Service Employees International Union (SEIU) – have waged global political, bargaining and organizing campaigns both through these global unions and in alliance with unions in other nations. And a newly unified global labor movement is seeking to influence the shape of the new global economic order that the G-20 nations will devise.

Unions, of course, will remain primarily national in character for a good long time. But the birth of global unions is an event of historic significance. As global unions spread and consolidate, they will re-establish some of the parity in labor relations that they lost when corporations and their supplier networks went global. They will begin the work of building on a global scale the kind of mixed economies that they built, in conjunction with New Deal Democrats in the U.S. and social democrats in Europe, on the national level in the three decades following World War II.

And by so doing, they may bring to the project of globalization the one crucial element it currently lacks: popular legitimacy. If globalization continues to mean protections for investors but none for workers, then globalization is doomed. As the leaders of the G-20 continue to grapple with expanding the scope of the global to include financial

regulations and perhaps even fiscal coordination, they need to go further yet to create a politically and economically sustainable world economy. They need to ensure that nations adhere to the labor-rights conventions of the International Labor Organization (ILO). They need to ensure the viability of labor rights within their borders – a task to which the Obama Administration is committed by the president’s support for the Employee Free Choice Act. More broadly, they need to begin the hard work of building the institutions and regulations that will foster broadly shared prosperity on a global level. They need to encourage the rise of global unions.

### **From Rhetoric to Reality**

Labor’s historic commitment to internationalism dates back at least to 1848, when Marx and Engels urged “working men of all nations [to] unite.” But the international unity of labor, when it existed at all, existed chiefly on the plane of ideology – the coming together of national labor, socialist and social democratic parties in the Socialist International, of communist parties in the Communist International, of pro-American unions during the Cold War around institutions backed by George Meany’s AFL-CIO, and so on. These were all forms of internationalism characterized by resolutions of solidarity and offers of material assistance based on ideological alignment. And then, a few years after many of these ideological distinctions vanished in the wake of Soviet communism’s demise, a new form of internationalism emerged, not primarily in response to the world’s ideological reconfiguration, but rather in direct response to the rise of global employers.

Labor’s new globalism has no single point of origin, but surely one place it began was in Seattle in December 1999, at the demonstrations protesting the meeting of the World Trade Organization. On December 6<sup>th</sup>, the day that protestors brought the WTO’s meeting to a halt, the AFL-CIO sponsored a rally of 20,000 unionists at a local stadium, which featured union-activist speakers from around the world. One such speaker, Glen Mpufane of the South African mine workers, called for a global minimum wage. “What’s good for Ford workers in Detroit,” he said, to cheers, “is good for Ford workers in Mexico and South Africa.”<sup>2</sup>

But Mpufane’s sentiment was a wish, nothing more: There were, in 1999, no workers’ institutions that could bargain collectively across borders.

Fast forward nine years to Washington, DC, on December 15 of last year. While the leaders of the G-20 met to ponder what to do about a global economy in collapse, the leaders of the International Trade Union Congress – a newly merged organization of national labor federations, the Trade Union Advisory Council to the OECD, and the 11 Global Unions (sectoral organizations representing individual unions) – issued a Washington Declaration their own, urging the G-20 to regulate global finance, enact adequate fiscal stimulus legislation, and promote labor rights. It was Keynesianism

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<sup>2</sup> Harold Meyerson, “The Battle in Seattle,” *L.A. Weekly*, December 9, 1999.

elevated to a planetary plane. What was notable about their declaration was less the substance of the statement and more the existence of these organizations. Most of these groups were not in existence before 2006.<sup>3</sup>

Fast forward one more day. On December 16, 2008, in London, executives from G4S, a British global property services company that employs 570,000 workers (chiefly security guards ) in 115 nations, and is second only to Wal-Mart as the world's largest private-sector employer, signed an agreement with UNI, one of the 11 global unions, that pledged the company to abide by the labor laws of the countries in which it operates, to honor the ILO conventions on worker rights, and to respect the rights of its employees to organize a union. The agreement marked the first time ever that a global corporation had been compelled by a global campaign to sign what is in essence a union-recognition agreement.<sup>4</sup>

The genesis of the agreement was a strictly domestic dispute – the campaign by SEIU to organize the 35,000 employees of Wackenhut, the second-largest U.S. private security company. Having been notably successful in the 1990s organizing the janitors who clean the office buildings of America's downtowns, SEIU initiated a campaign in 2002 to organize the security workers who guarded those buildings. What the union discovered was that America's largest security companies – Pinkerton, Wackenhut, Burns – were all in the process of being purchased by global concerns. Some of these companies were legendarily anti-union – Pinkerton goons had long loomed large in American labor folklore – and given the weakness of American labor law, under which companies routinely fire workers involved in organizing campaigns (illegal behavior for which they incur negligible penalties), SEIU found itself compelled to pressure the global firms that had acquired these companies.

Some of that pressure was domestic: After the Democrats retook Congress in 2006, the union's congressional allies held hearings questioning Wackenhut's performance on a number of its government contracts.<sup>5</sup> But by 2005, SEIU – with 2 million members, America's largest and most strategically sophisticated union – had determined that the only way to organize Wackenhut's workers was to compel G4S to sign an omnibus worldwide organizing agreement. Like many European-based global companies, G4S recognized unions of its workers within Europe, but, said Bill Regan of SEIU's property service division, “We came to the conclusion that they had one policy for Europe and one for the rest of the world.”<sup>6</sup>

With that, SEIU put resources into UNI, the global union with which unions of property service workers in five continents were affiliated, and funded unions of security guards around the world. G4S is the largest private employer in Africa, and UNI provided

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<sup>3</sup> Council of Global Unions, *Washington Declaration*, November 2008. [http://www.ituc-csi.org/IMG/pdf/0811t\\_gf\\_G20.pdf](http://www.ituc-csi.org/IMG/pdf/0811t_gf_G20.pdf)

<sup>4</sup> Interview, Christy Hoffman, December 2008.

<sup>5</sup> Harold Meyerson, “Outsourcing in the Dark,” *Washington Post*, July 26, 2007.

<sup>6</sup> Interview, Bill Regan, December 2008.

assistance to striking unions in Malawi, Mozambique and the Democratic Republic of the Congo, where G4S employees were required to work overtime hours at a lower pay rate than they made in their non-overtime hours. UNI filed complaints to the ILO about the treatment of G4S workers in India, Indonesia, Panama and the U.S. It brought suit in British courts for what it alleged was G4S's violation in Nepal, Mozambique and Malawi of OECD guidelines for multinational corporations. British unions pressured their government to deny Wackenhut's bid to provide security at the 2012 London Olympics.<sup>7</sup>

In December of 2008, G4S signed its agreement with UNI, in which the company pledged that UNI's member unions would get access to the G4S workers they sought to unionize, and that it would negotiate contracts once the workers had voted to organize – an agreement that covered SEIU's campaigns to organize Wackenhut employees in nine large American cities.<sup>8</sup> The company also agreed to have an independent arbitrator monitor the implementation of the agreement. The agreement does not go as far in ensuring worker rights as that between UNI and ISS, a Swedish-based global property services company, but ISS, in the tradition of Swedish capitalism, is accustomed to working with unions and required no such global campaign to compel it to come to terms.<sup>9</sup>

At the time that G4S signed its accord with UNI, there were roughly 35 “global framework agreements” in place between global corporations and the global unions.<sup>10</sup> All of them were with companies based in continental Europe, the one region of the world where good employer-union relations, if not still normative, are nonetheless widespread. The agreement with G4S was the first such agreement with a firm based either in the UK or the US, where capital-labor comity is far rarer than it is on the continent. It is the first such agreement with a firm that actively resisted entering into such an agreement. “No global agreements have come about with this kind of company through this kind of process before,” said Christy Hoffman, the SEIU staffer whom the union loaned to UNI to run its property services organizing division, and who is now SEIU's director of global organizing.<sup>11</sup>

This is a new form of labor internationalism – winning the right to organize one company's workers spread over five continents by engaging unions on those five continents in a coordinated campaign to win those rights.

Another form of this new internationalism is global collective bargaining, something that the United Steelworkers are approaching on several fronts. The Steelworkers are part of a global works council of unions which contracts with Arcelor Mittal – the world's largest steel manufacturer, with 320,000 employees spread across 26 nations. In September of 2007, 150 leaders of the unions in those 26 nations met in Montreal with company

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<sup>7</sup> Interviews, Christy Hoffman, Stephen Lerner, December 2008.

<sup>8</sup> Interview, Andy Stern, December 2008.

<sup>9</sup> Interviews, Ron Oswald, Christy Hoffman, December 2008.

<sup>10</sup> Interviews, Ron Oswald, Christy Hoffman, December 2008.

<sup>11</sup> Interview, Christy Hoffman, December 2008.

officials, including CEO Lakshmi Mittal, and won the company's pledge that it would support a global labor-management health and safety committee that would develop standards and implementation programs in nations that did not yet meet them. According to Steelworker President Leo Gerard, the committee has inspected conditions in Liberia, where pursuant to the global compact the company is now paying for health and safety training in its Liberian mines, and in Kazakhstan, where the company established a joint committee with the local union to develop and implement a safety code.<sup>12</sup>

Metal workers in different nations may have different pay scales, determined by variations in productivity rates and local economic conditions. But the unions argued that disparities in worker safety cannot be similarly justified. Why, Gerard asks, "should a worker in country B get less protection than a worker in country A?"<sup>13</sup>

The Steelworkers have pushed the outer limits of global unionism by entering in 2007 into multi-year merger discussions with Unite, the largest union in the UK. (Unite is itself the merger of the British metal workers union and the Transport and General Workers.) If the merger is consummated, the new union would comprise 3.2 million members and be the first genuinely transnational union.<sup>14</sup> Many American manufacturing unions have Canadian regions – Gerard himself comes out of the Canadian wing of the Steelworkers – chiefly because many American companies have had Canadian factories dating back to the early 20<sup>th</sup> century. But the proposed US-UK union merger would be the first that reflects unions' growing desire to represent a unified global work force at a global employer. Both the US and UK unions have a sizable membership at Kimberly Clark and International Paper, for instance. "The health benefits situation differs because of the role of the state in the UK – and Canada," says Gerard, "and the cost of paper differs between the countries. But we can factor that in while formulating a common bargaining position." The unions, he adds, also have similar perspectives on creating green jobs (an issue that the Steelworkers have taken the lead on within the American labor movement) and building a broader global alliance of metal workers.<sup>15</sup>

The experiences of SEIU and the Steelworkers point the way to a new internationalism that American unions are beginning to embrace out of the necessity of dealing with global employers. "If we don't look at the global structure of the industry, we get destroyed," says Larry Cohen, president of the Communications Workers of America (CWA). "Carlos Slim, who controls the telecom industry in Mexico, now owns Verizon in Puerto Rico, through his company TelMex," Cohen adds, which necessitates close ties between CWA and its Mexican counterparts. The CWA is also engaged in an organizing campaign at T-Mobile, which is owned by the German telecom giant Deutsche Telekom (DT), and is waging the campaign as part of a broader global campaign to cover non-European DT employees in conjunction with the German telecom union, ver.di.<sup>16</sup>

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<sup>12</sup> Interviews, Leo Gerard, December 2007 and December 2008.

<sup>13</sup> Interview, Leo Gerard, December 2007.

<sup>14</sup> Harold Meyerson, "Unions for a Global Economy," *Washington Post*, April 26, 2007.

<sup>15</sup> Interview, Leo Gerard, December 2008.

<sup>16</sup> Interview, Larry Cohen, December 2008.

“A lot can be done if you win recognition at the global level,” says Ron Oswald, an official of the global union of food sector workers, the IUF. “You can squeeze them at the center to create more space at the edges” – that is, use the clout of established European or, in some instances, American unions to win bargaining rights in nations where unions aren’t established. “You can organize a company, not just its already unionized units, across borders.”<sup>17</sup>

### **Who Goes Global? Who Went National?**

When Barbara Shailor, the AFL-CIO’s director of international affairs, first went to work in the arena of labor internationalism, the issues were very different. Shailor directed international affairs for the Machinists in the 1980s, when that union, in conjunction with the United Auto Workers, the American Federation of State, County and Municipal Employees (AFSCME) and the Amalgamated Clothing Workers opposed the Cold War politics of George Meany’s and Lane Kirkland’s AFL-CIO.

With the end of the Soviet Union and the Cold War, and the rise of global employers, the focus of labor’s international programs began to shift. “During the ‘90s,” Shailor says, “we focused on the domestic implications of trade. But in the late ‘90s, we began to grapple with global employers, particularly SEIU, the Steelworkers, the CWA and Unite Here [the union of clothing and hotel workers]. It was hard for most unions, however, to justify paying a fulltime staffer to go after global employers. But [SEIU President] Andy [Stern] threw the kitchen sink at it. He devoted real money and scores of researchers to organize property services.”<sup>18</sup>

Today, the number of unions that relate their organizing or bargaining to global work is small but growing. Building trades unions hadn’t paid any heed to the global arena, Shailor says, until a European-owned steel plant was built last year by non-union labor in Alabama. Now that Volkswagen is slated to build a plant of its own in Chattanooga, U.S. building trades unions are working with the Volkswagen Works council and German unions to ensure union labor will build the factory.<sup>19</sup> (A works council is a body of employees that meets regularly with their employer, a widespread practice in Western Europe.)

The time lag between the globalization of capital and the globalization of labor, and the asymmetry of power that lag engenders, should come as no surprise. In a sense, it follows rather closely the experience of American business and American labor as they made the transition from the locally based economy that characterized the United States until the Civil War to the fully national economy that was in place by World War II.

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<sup>17</sup> Interview, Ron Oswald, December 2008.

<sup>18</sup> Interview, Barbara Shailor, December 2008.

<sup>19</sup> Interview, Barbara Shailor, December 2008.

As historian Robert Wiebe demonstrates in *The Search for Order*, his seminal interpretation of America's political economy from 1877 through 1920, it was business that first made the leap from the local to the national.<sup>20</sup> As early as the opening decades of the 19<sup>th</sup> century, there had been a national credit market that stretched from local banks to the larger banks of New York and Philadelphia, but in every other way, businesses functioned almost entirely on a local level. Immediately following the Civil War and in the decades thereafter, however, national rail companies sprung up that wielded tremendous market and political power, not least over state legislatures. They were soon followed by oil companies wielding similar power, and then by manufacturing giants in steel and, in the early 20<sup>th</sup> century, auto.

Throughout the late 19<sup>th</sup> century, these corporations were effectively the only national economic institutions. Not until the 1890s, as Wiebe documents, did America's professionals form nationwide organizations – the American Bar Association and the American Medical Association, most prominently – to promote their interests. While there were national unions, they were weak, and composed chiefly of autonomous locals. Virtually all of their contracts, in the building trades most particularly, were local in nature. Unions' attempts to win contracts with national corporations – such as that of the American Railway Union, headed by Eugene V. Debs, in 1894 – were few and unsuccessful. Federal regulations on banks and corporations ranged from weak to non-existent, and there were no federal laws regulating the wages, hours and working conditions of America's workers, or enabling those workers to form unions. It took the trauma of the Great Depression to enact such legislation and create such unions.

Thus business began to become national in 1865; professionals organized nationally in the 1890s, and the key pieces of legislation creating national public benefits and national unions – the Social Security Act and the National Labor Relations Act, both passed in 1935 – came 70 years after the advent of national businesses. By then, it had been apparent for decades that the United States had a national economy, dominated by national banks and corporations, but only then, with those banks and corporations discredited by the Depression, was the political space created to enact national regulations. Owen Roberts, the Supreme Court justice who had voted to strike down early New Deal legislation, but who changed his perspective to uphold the Social Security Act in 1937, explained his shift – and since he was the swing vote on the Court, the Court's shift – in a speech he gave in 1951. “Looking back,” Roberts said, “it is difficult to see how the court could have resisted the popular urge for uniform standards throughout the country – for what in effect was a unified economy.”<sup>21</sup>

The economy may have been unified, but it was not uniform, nor were fully uniform standards applied to it. The Fair Labor Standards Act (FLSA), which Congress enacted in 1938 and which established the first federal minimum wage, exempted agricultural workers – at the time, chiefly African-Americans living in the South. But over time, the

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<sup>20</sup> Robert Wiebe, *The Search for Order: 1877-1920*. Hill and Wang, 1966.

<sup>21</sup> Roberts quote in Burt Solomon, “What the Bronx Would Bring to the Bench,” *Washington Post*, May 31, 2009.

effect of national standards and national unions has been to diminish greatly the regional economic differences that were so glaring when the FLSA was first passed. The national agreements that unions such as the UAW, the Machinists and the Steelworkers won with such companies as General Motors, Boeing and U.S. Steel applied uniformly to their factories across the nation.

The past 30 years has been a period much like the last 30 years of the 19<sup>th</sup> century. Once again, businesses have moved to arenas where government, regulations and unions have not been able to follow – in this case, the transnational and then global arenas. Once again, it has required an economic crisis to engender today's efforts to create some global regulations on those corporations. And once again, unions are beginning to play catch up – to counter global employers through global campaigns, alliances and organizations.

But the first arena for transnational labor action wasn't global. It was European.

### **From European Model to Global Framework**

There are two reasons why it was Europe in which unions first began crossing national borders. First, it was in Western Europe that unions, during the three decades following World War II, achieved their greatest strength and legitimacy, which to this day they still largely retain. Second, it was in Europe that transnational government and transnational laws first arose.

In addition to a bargaining relationship with employers, which American unions have also attained, European workers also participate in works councils with their employers. (There is no requirement that the elected representatives of the workers come from the company's unions, but such is usually the case.) The councils first appeared in Germany, the result of German legislation. But as the European Union took shape after the Maastricht Treaty of 1989, and as European companies opened facilities in multiple European countries, the idea of European works councils, in which employees' delegates from all EU-member nations could meet with their employer, took hold. In September 1994, the European Union directed companies with employees in more than one European nation to establish works councils.<sup>22</sup> (Before 1992, a few transnational French companies had established Europe-wide works councils for their employees.)<sup>23</sup>

Today, roughly 2400 companies that do business in Europe meet the criteria – having 1,000 or more employees, with at least 150 in two or more European nations – to establish European works councils. Just 800 such companies have actually established such councils, however, says John Monks, who for the past six years has been the general secretary of the European Trade Union Council. Older companies that came of age during periods of union power, says Monks, tend to have the councils: Among U.S.-based companies operating in Europe, for instance, General Motors and Ford have councils, just

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<sup>22</sup> Robert Steiert, "A Comparison of the Structure of Selected European and World Works Councils," IG Metall Department for International and Foreign Affairs, 1999.

<sup>23</sup> Interview, John Monks, December 2008.

as they have union contracts in the U.S. Newer American companies that have no such contracts in the U.S. tend not to establish European Works Councils (EWCs): Microsoft and Google, says Monks, have been “very resistant.”<sup>24</sup>

The value and power of the EWCs varies from company to company. “Most are just getting-to-know-you opportunities for union representatives from different countries,” says Monks. By European law, companies are supposed to consult their councils when they undertake major actions with employment implications, such as plant closings. Such mandates are not always met, however. Last year, Nokia closed a factory in Bochum, Germany, without advance word to its EWC, which compelled the European Parliament to strengthen its directive to companies on advance notifications for plant closings.<sup>25</sup>

The oldest transnational sectoral union organization is the International Metalworkers Federation (IMF), which was founded in 1893 with German, British and French representation, and was aligned at that time with the Socialist International. Until the formation of EWCs, however, European auto and steel unions lacked a mechanism to meet together with employers. A handful of European companies established EWCs even before the EU mandated them – notably Volkswagen, which had had a long relationship with the union IG Metall in Germany and other European unions as well. According to IMF official Robert Steiert, who also IG Metall’s chief representative at Volkswagen, the IMF began meeting informally with Volkswagen in the 1970s, and Volkswagen established its EWC in 1990. Meetings are conducted, with simultaneous translation, in seven languages.<sup>26</sup>

For all their limitations as consultative bodies, says Steiert, “the EWCs provide European unions with more leverage.” At minimum, the councils can be “an instrument where workers’ representatives come together regularly, can build up cooperation among themselves, and can build up trust.”<sup>27</sup>

Works councils, says ETUC chief John Monks, “are not an effective means of upward harmonization of wages across borders. There’s no bargaining on pay transnationally, even with a common currency [the euro]. We tried it within some councils in an area of the North Rhine [in Germany], the Netherlands, Northeast France and Belgium, but it didn’t work. The Belgians wanted to index wages to inflation; the Germans [who come from the world’s leading exporter] tried to hold wages down. The borders blocked our capacity to reach a common position.”

“But though we’ve not been able to bargain collectively for the same pay,” Monks continues, “we have been able to bargain for the same job training entitlements and parental leave.”<sup>28</sup>

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<sup>24</sup> Interview, John Monks, December 2008.

<sup>25</sup> Interview, John Monks, December 2008.

<sup>26</sup> Interview, Robert Steiert, December 2008.

<sup>27</sup> Interview, Robert Steiert, December 2008.

<sup>28</sup> Interview, John Monks, December 2008.

Two European companies with worldwide operations and long histories of good relationships with unions went beyond the European framework to establish World Works Councils in the 1990s. SKF, a Swedish ball bearing manufacturer, established one in 1995, and Volkswagen followed suit three years later. At Volkswagen, says Steiert, “it didn’t make sense to talk just on a European level” when the company was expanding on multiple continents. Wages, he continues, depend on productivity levels within individual countries, but on matters of health and safety, “why should only Germany and Sweden have high standards?”<sup>29</sup>

Efforts to establish other World Works Council have met mixed results. IG Metall, the UAW and the Canadian Auto Workers endeavored to establish one at Daimler Benz, but no such council yet exists. Metal workers unions have been able to establish one, however, at Arcelor Mittal, and there are some de facto semi-World Works Councils at other global companies, most surprisingly, perhaps, at Coca-Cola, which remains a non-union company within the U.S.<sup>30</sup>

## Going Global

World Works Councils are just one of several types of new or reconstituted labor organizations that have arisen in recent years to deal with the galloping globalization of corporations. Chief among these organizations are ten Global Union Federations (GUFs), which are organized sectorally, like the IMF. Increasingly, the GUFs endeavor to win International Framework Agreements with global corporations, such as that which UNI won from G4S. Until the last several years, GUFs were known as International Trade Secretariats. They were occasionally vehicles for unions in one country to express solidarity with and offer help to sectorally-allied unions in other countries, but only with the rise of transnational corporations have they renamed and reconfigured themselves in an attempt to win global agreements with their employers.

Nor are the GUFs the only global labor groups. The International Trade Union Confederation (ITUC), founded in Vienna in November, 2006, brought together the former International Confederation of Free Trade Unions and several other former global bodies formed along ideological lines to create a confederation of national union federations, such as the AFL-CIO, with 168 million members in 153 nations and territories. Based in Brussels, its general secretary is Guy Ryder. The Trade Union Advisory Council (TUAC) to the OECD dates back to 1948. And in January 2007, the ten GUFs, the ITUC and the TUAC founded the Council of Global Unions as an omnibus group under whose aegis the labor movement’s global organizations could make statements, issue reports, and meet with world’s political leaders (as they have during the recent G-20 meetings).<sup>31</sup>

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<sup>29</sup> Interview, Robert Steiert, December 2008.

<sup>30</sup> Steiert, *op. cit.*; interview, Ron Oswald, December 2008.

<sup>31</sup> Interview, Penny Schantz, November 2008.

The formation of all these groups in the past few years, along with the global campaigns of American unions, reflects a broad awareness among the world's labor movements that capital has outreached their capacity to respond. "The difference between the self-interested internationalism of capital and the strongly nationalistic instincts of labor is stark," says the ITUC's Ryder. "Both the disappearance of ideological differences and the need for more effective internationalism were at play" in the formation of labor's global groups, he adds.<sup>32</sup>

Even the regional identities of labor movements have given way with the creation of a China-centered world labor market, says the AFL-CIO's Shailor. "The Europeans have gone beyond thinking that the EU and its social safety nets will protect them," she says. "The Japanese feel much the same way about the erosion of their lifelong job guarantees. Mexico and Brazil no longer have a distinct perspective. It's all just global capitalism, chiefly due to China."<sup>33</sup>

The most tangible results of the efforts of the newly globalized labor movement are the International Framework Agreements (IFAs) that GUFs and World Works Councils are able to reach with global corporations. There are roughly 50 such agreements now in place, all but a handful with companies based in continental Europe. Most of these agreements pledge the employer to honor the eight key worker-rights principles of the ILO, which include a right to organize unions. The problem, says Ron Oswald, who heads the IUF (the GUF that operates in the food and hospitality sector), is that "while they're supposed to increase organizing, they don't necessarily do that. The IFAs are not enforceable; most lack basic processes for conciliation, mediation and arbitration, and the IUF, and other GUFs, don't have the capacity or resources to make the agreements work."<sup>34</sup>

Some of the companies with which the IUF has agreements are, to say the least, surprising. One is Chiquita, the banana conglomerate, which is the only company based in North America to have signed an IFA – though it doesn't cover any of the company's facilities or employees in North America. Instead, it covers Latin America.

"Chiquita has the most baggage of any banana company," Oswald says. "We fought them throughout the 1990s across Europe; we dumped bananas in front of their London office. Eventually, they came to us, to help them with their reputation." The IUF and Chiquita signed an IFA in 2001, creating labor standards and rights for its 4,500 employees in Colombia.<sup>35</sup>

Another unlikely company with which the IUF meets twice yearly, though there is no agreement between them beyond the agreement to meet, is Coca-Cola –against which the IUF had long campaigned to force an improvement in its working conditions. The

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<sup>32</sup> Interview, Guy Ryder, December 2008.

<sup>33</sup> Interview, Barbara Shailor, December 2008.

<sup>34</sup> Interview, Ron Oswald, December 2008.

<sup>35</sup> Interview, Ron Oswald, December 2008.

accords with Coke and Chiquita, says Oswald, “came out of public campaigns that put them under enormous pressure. They were not the result of an enlightened employer or the strength of our argument.”<sup>36</sup>

In 2006, the IUF, which is signatory to more global agreements than any other GUF, conducted a study of the limits of IFAs. Most such agreements, they concluded, really did little to foster organizing in nations whose workers were largely unorganized.<sup>37</sup>

To some degree, this failing reflects the nature of the companies willing to sign such agreements. “Most framework agreements don’t have a focus on organizing,” says Christy Hoffman, who ran the campaign at G4S and who is now SEIU’s director of global organizing. “That’s largely because they’re with European companies that already adhere to a Nordic model that respects workers’ rights. They’re low-hanging fruit.”<sup>38</sup>

With other companies, says Hoffman, the IFAs fall short. “We’ve tried to go beyond agreements in which companies pledge to respect international labor norms to a specific, enforceable pledge to respect organizing rights.”<sup>39</sup> The IUF concluded that it “needed to strengthen its capacity to organize within transnational companies,” says Oswald, “without necessarily doing so behind an IFA.” It has discussed raising its goal beyond an IFA to what it termed a “Global Union Recognition Agreement,” which would ensure the company’s neutrality in campaigns to organize its workers – card check, as it were, for a global company. To date, just one such IFA does that – UNI’s agreement with ISS, a Swedish-based security guard firm (and the chief competitor of G4S) that operates on many continents. The ISS agreement, in which SEIU played a major role, creates independent monitors, funded by the company, to ensure its terms are carried out.<sup>40</sup>

That IFAs are imperfect vehicles to ensure workers’ interests in the global economy doesn’t mean, however, that unions shun them, even as they seek other means to win power in the global economy. The global campaigns of some of America’s leading unions reflect this trial-and-error approach to using global leverage to rebuild the union movement in the United States.

### **American Unions Think, and Act, Globally**

Over the past decade, three leading U.S. unions – the Steelworkers, the Communications Workers, and the Service Employees – have taken the lead in fighting their battles globally. The Steelworkers have been at it longer than the others.

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<sup>36</sup> Interview, Ron Oswald, December 2008.

<sup>37</sup> Interview, Ron Oswald, December 2008.

<sup>38</sup> Interview, Christy Hoffman, December 2008.

<sup>39</sup> Interview, Christy Hoffman, December 2008.

<sup>40</sup> Interview, Ron Oswald, December 2008.

“All our corporate campaigns have been won offshore,” says Gerald Fernandez, the Steelworkers’ director of international campaigns. Throughout the 1990s, the union’s strike at Bridgestone/Firestone and other struggles were fought in alliance with unions in other nations – though in these campaigns, the Steelworkers were chiefly seeking support for its domestic struggles from foreign unions that had relations with its employers. (The Steelworkers have absorbed such smaller American unions as the Rubber Workers, the Paper Workers, and the Oil, Chemical and Atomic Workers, broadening its range of industries and employers.)<sup>41</sup>

Over the past half-decade, however, the Steelworkers have reached out to unions that represented workers at the same global companies where they themselves represented workers – such companies as Alcoa, Bridgestone, Georgia Pacific, International Paper, and Arcelor Mittal, the world’s largest steelmaker. The union cultivated ongoing strategic alliances with those unions – notably, IG Metall, the Mexican Mining and Metal Workers, the South African Mine Workers, the British union UNITE, and the Australian Workers Union (AWU). It provided assistance to the AWU in its successful campaign to organize BlueScope Steel, with whose U.S. facilities the Steelworkers have a contract.<sup>42</sup>

The Steelworkers have formed these strategic alliances in part because they believe that GUFs may be too big to be focused. “The GUFs have 120 or 130 affiliates from 80 countries,” says Fernandez. “They can’t run strategic campaigns or contract fights; they’re not structured for that.”<sup>43</sup>

Today, the union is part of four World Works Councils, most notably and successfully with Arcelor Mittal. In September 2007, the company met with 150 workers’ representatives from 26 nations. It agreed to establish a health and safety committee, and working with the indigenous unions, it established health and safety standards in Liberia and Kazakhstan, as well as a monitoring committee in Liberia for which the company paid.

Also in 2007, the union began a process that could lead to a merger with UNITE, the largest union in the United Kingdom, with which the Steelworkers share common employers. Beyond that, says Fernandez, both unions “fight neoliberalism in the British Labor and U.S. Democratic Party. We’ve determined that the best way to fight financial globalization was to fight it globally.”<sup>44</sup>

The two unions’ executive committees meet together at regular intervals, and are studying the pros and cons of a formal merger, which would create the world’s first truly transnational union. Such a merger, Fernandez adds, would be a “necessary first step to having a global union or a global federation of a few unions in metals and mining.” Even

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<sup>41</sup> Interview, Gerald Fernandez, December 2008.

<sup>42</sup> Interview, Gerald Fernandez, December 2008.

<sup>43</sup> Interview, Gerald Fernandez, December 2008.

<sup>44</sup> Interview, Gerald Fernandez, December 2008.

if no formal merger eventuates, the process could lay the groundwork for a global federation of a few strategically located metal unions.<sup>45</sup>

A second American union that is immersed in global alliances is the Communications Workers of America (CWA). Larry Cohen, the president of CWA, is also president of the GUF for telecommunications workers, which has World Works Councils with several global telecom companies, one of which, France Telecom, has agreed to allow its African-based call centers to unionize. The general secretary of the telecom GUF is a CWA member working out of Geneva, Switzerland (where many GUFs are headquartered).

CWA's global and local work come together in its campaign to unionize T-Mobile, which is owned by Deutsche Telekom, a company with a World Works Council but which has declined to sign an IFA. CWA has entered into a strategic partnership with the German telecom union, ver.di, with CWA endeavoring to organize T-Mobile while ver.di pressures Deutsche Telekom to allow T-Mobile workers to unionize. "Having a union with real power in the parent company is key to sustaining pressure," Cohen says.<sup>46</sup> CWA is also providing funds to help the South African telecom union organize workers at Vodaphone.

Perhaps no American union has used its new global reach to win a more important or dramatic organizing campaign here in the States as SEIU. In 1986, as part of its nationwide Justice for Janitors campaign (which over the past quarter century has organized the largely immigrant janitorial workforce in the downtown office buildings of most major American cities), SEIU tried to organize and win recognition for the janitors in Houston, TX. They failed. In November of 2006, however, after a multi-year campaign, SEIU won a citywide contract for Houston's 5,000 janitors – a stunning victory for an immigrant work force in a right-to-work state.

"Why did we lose this campaign in 1986 when private sector unionization in the U.S. stood at 13 percent, and win it 20 years later when private sector unionization stood at 7 percent?" Steve Lerner, Justice for Janitor's chief strategist, asks. In 1986, he says, Houston's office buildings and the companies that cleaned them were locally owned. Twenty years later, however, many of those buildings and those companies were owned by global conglomerates, and SEIU was able to bring pressure on those owners through the assistance of its union allies in other countries. Globalization, says Lerner, "has opened up the opportunity to unite workers around the globe in a movement to remake the world by redistributing wealth and power."<sup>47</sup>

In August of 2005, at a meeting of UNI in Chicago, SEIU also convened a meeting of security guard unions from five continents to bring pressure on global employers ISS and G4S. It placed its own organizers on the ground to help unions organize those companies'

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<sup>45</sup> Interviews, Gerald Fernandez and Leo Gerard, December 2008.

<sup>46</sup> Interview, Larry Cohen, December 2008.

<sup>47</sup> Interview, Stephen Lerner, December 2008.

(often immigrant) workers in Poland, the Netherlands and Britain. Three years later, the unions, acting through UNI and with the considerable financial and staffing assistance of SEIU, had essentially won global card check for unionization at ISS, and had won key concessions from G4S.<sup>48</sup>

## **Global Unions and Beyond: The Role of Government**

For unions that confront global employers, it's clear that the process of globalizing workers' power – whether through strategic alliances of unions in different countries, mergers of actual unions, global works councils, or the not-quite-contracts of International Framework Agreements – is a necessary adaptation to the increase of corporate power that has accompanied corporate globalization. Global alliances have helped unions, American unions in particular, win organizing and bargaining campaigns here at home.

Yet it's also clear that as yet, the global infrastructure that unions are creating has had limited success in dealing with global employers – yielding positive results only in a relative handful of companies that have a history of co-existence with unions in their home country (almost invariably European). Moreover, those results are usually confined to harmonizing health and safety standards upwards (no small achievement, to be sure), and have only at a single company yielded an agreement to unionize that company's global work force.

Despite the limits of their early successes, and their failures to alter corporate behavior at any number of companies, the unions' turn to global endeavors is clearly irreversible. In the next few years, the unions that have embarked on these campaigns, and unions that have yet to do so, will experiment with new global forms of organization as they seek to deal with their employers. Increasingly, conducting union business on a merely national level will make no more sense than conducting union business solely on a local level.

But just as national unions were bolstered and protected by national legislation in the 1930s, the newly global unions need the assistance of governmental institutions today. Again, Europe provides the model. "Europe has 60 laws in its social dialog," says the ETUC's John Monks, referring to legislation dealing with workplace and income issues. "Forty deal with health and safety standards. The European unions realized you couldn't have a single market that had a race to the bottom on work standards. The standards originated in Western European nations, but as nations have joined the EU, their standards have been levered up." Other EU statues mandate consultation on plant closings, and raising temporary workers to the same legal standing as fulltime employees.<sup>49</sup>

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<sup>48</sup> Harold Meyerson, "Globalism for the Rest of Us," *The American Prospect*, August 30, 2005.

<sup>49</sup> Interview, John Monks, December 2008.

There are, of course, no global governmental institutions with the power, much less the politics, of the EU. The ILO is the weakest of the global governmental institutions – unlike the United Nations, the International Monetary Fund, the World Bank or the World Trade Organization, it is bereft of all enforcement power. For that reason, the declaration of the Council of Global Unions released last December at the time of the G-20 meetings called for strengthening the ILO, in part by making IMF and World Bank loans conditional on nations’ adhering to the ILO’s standards of workers’ rights. As the Obama Administration seeks to rebuild a middle-class economy at home and a stable, more regulated economy worldwide, supporting adherence to the ILO’s labor standards as a condition not just for global loans but for free entry to the U.S. market would be both a logical (and perhaps even domestically popular) extension of its policy goals. President Obama is on record supporting the Employee Free Choice Act, a piece of national legislation that would make it easier for American workers to join unions again. In a globalized economy, the provision of those rights to workers everywhere is essential if one of the primary goals of EFCA – raising workers’ wages – is to be met.

The United States, after all, is the most open of the world’s leading economies. Without benefit of powerful unions or welfare-state protections, and confronted with employers who have held wages and benefits down by transferring production to Asia and other centers of cheap labor, American workers no longer live either in a national economy or a middle-class nation. To restore the broad prosperity for which America was once celebrated, the president will surely have to enact his domestic agenda: improving education, fostering new industries, providing a firmer safety net, bolstering domestic unions. Yet in this most open of economies, those steps, while essential, will not suffice. The next New Deal, and the next generation of unions, must be global.