

International Labor Law: Opportunity, Solution, or Intrusion

2013 SYMPOSIUM
FRIDAY, OCTOBER 25



Global Union Federations

What are they?

ORGANIZING OURSELVES – BUILDING A STRONGER IUF
UNS SELBST ORGANISIEREN – EINE STÄRKERE IUL AUFBAUEN
ORGANIZARNOS – CONSTRUYENDO UNA UITA MÁS FUERTE
ORGANISÉS ENSEMBLE – CONSTRUIRE UNE UITA PLUS FORTE
VI ORGANISERAR OSS – OCH STÄRKER IUL



- Federations of affiliated regional & national unions
- Sector-specific



**ORGANIZE,
FIGHT
AND WIN!**

**ORGANISIEREN,
KÄMPFEN,
BEWINNEN!**

**ORGANIZAR,
LUCHAR
Y GANAR!**

**ORGANISONS,
LUTTONS
ET GAGNONN!**

**ORGANISERA,
KÄMPA
OCH VINNI!**

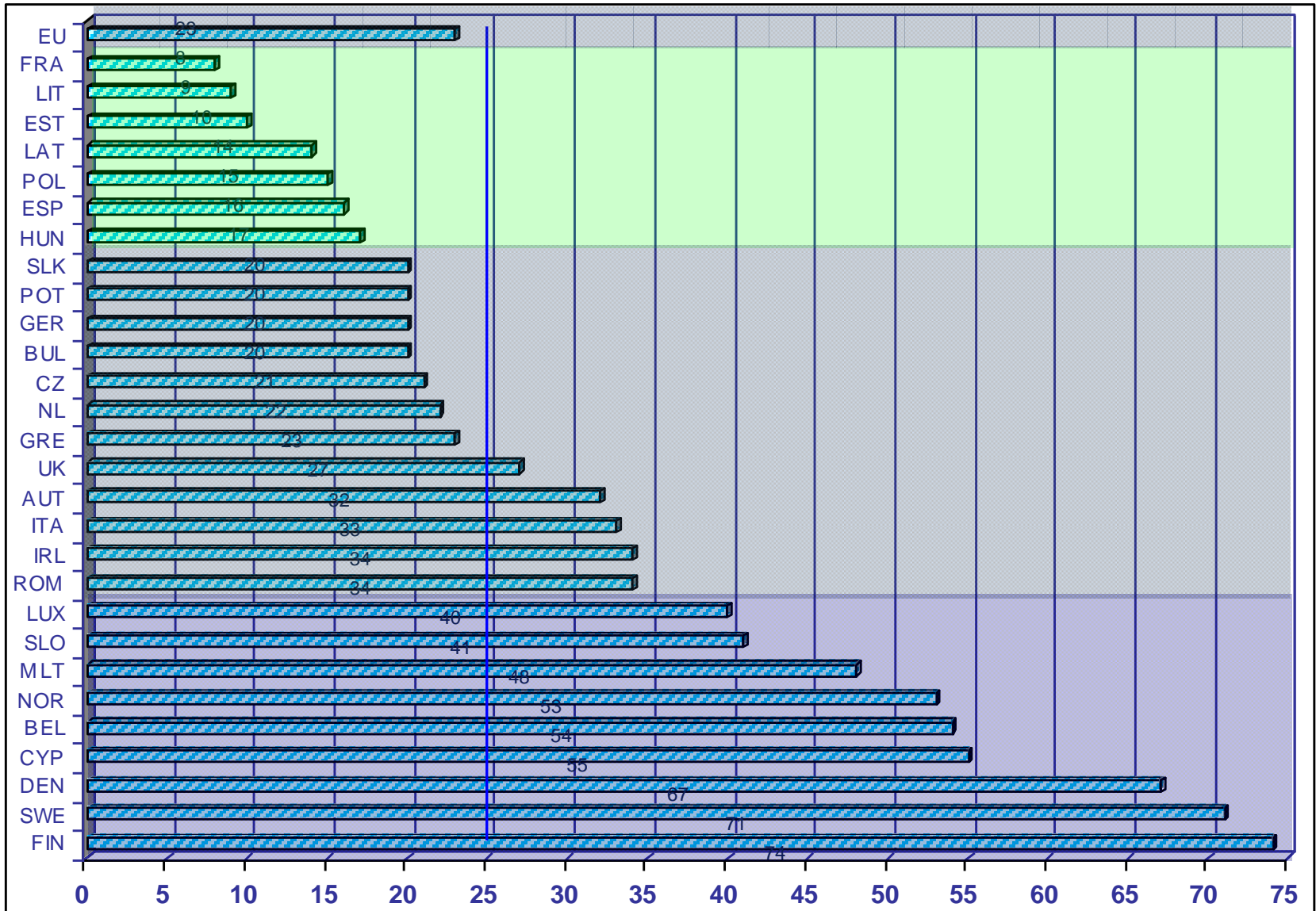
Global Union Federations (GUFs)

1. IndustriALL	(EMF + EMCEF + ETUF-TCL)
2. BWI	Building and Wood Workers International
3. EI	Education International
4. ITF	International Transport Workers' Federation
5. IUF	International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Association
6. PSI	Public Services International
7. UNI	UNI – Global Union
8. IFJ	International Federation of Journalists
9. IAEA	International Arts and Entertainment Alliance
10. ITUC	International Trade Union Confederation
11. IG Metall	German Metal Workers Union

Unions/Works Councils

Trade Unions

Rate of Unionization



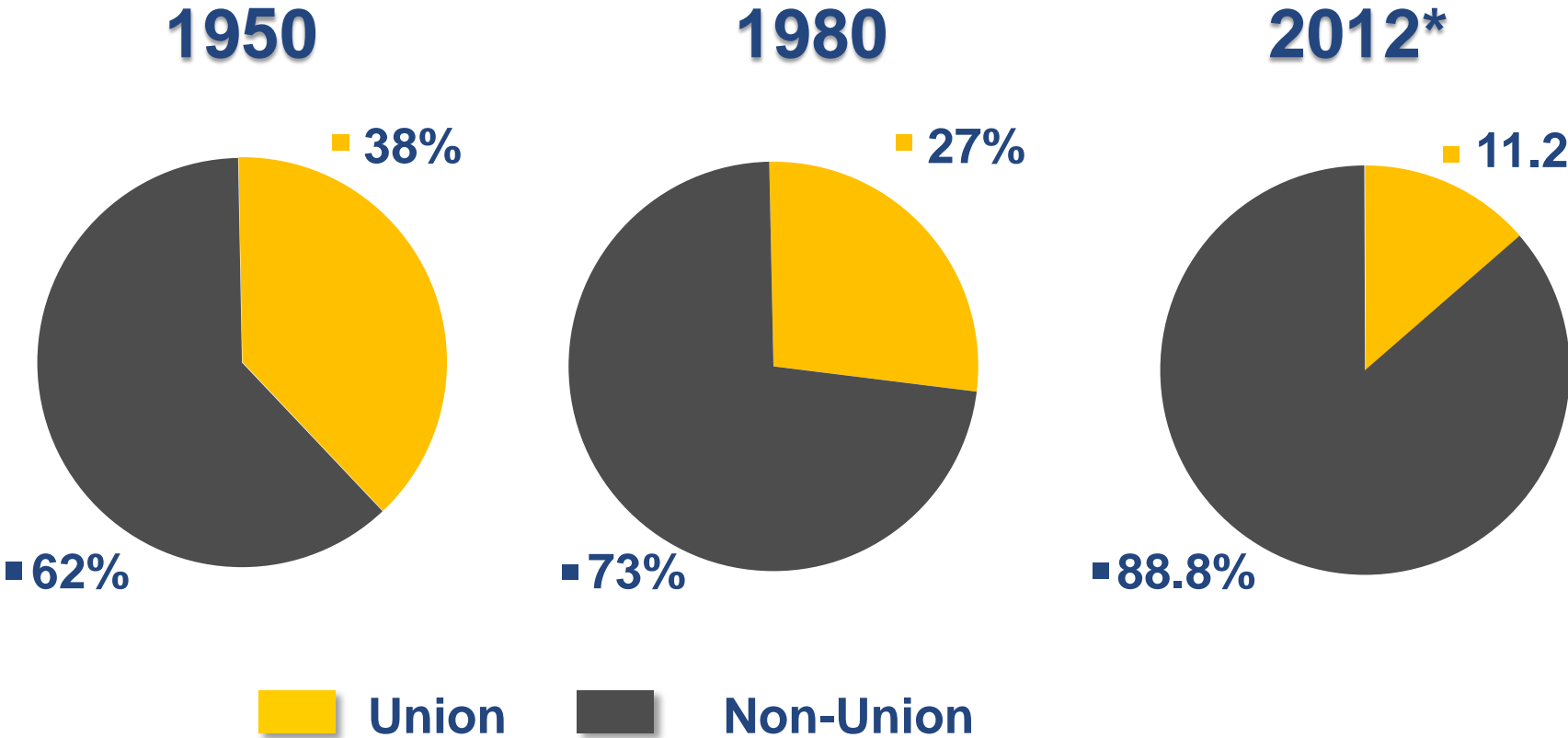
EU History

- **Over the past 40 years the EU has slowly, but surely, built a European-level of employee relations/collective bargaining**
- **This system consists of:**
 - A series of Directives on employee information and consultation
 - The development of instruments/codes of practice on issues such as restructuring
 - The encouragement of European social dialogue
 - The development of European-level employee representative bodies such as European Works Councils
 - Support for European-level trade unions
 - A desire to see the negotiation of European-level agreements between unions/works councils and central management

EU Today

- **The system has now developed to such an extent that it creates a new series of challenges for companies in the management of European employee relations**
- **We see these challenges becoming more complex particularly as a result of:**
 - The more stringent information and consultation obligations imposed by the 2009 European Work Council Directive
 - The continuing consolidation of the European trade unions through mergers and amalgamations
 - The emergence of political support for “protectionism” – seen as a desire to protect homeland jobs

Rate of Unionization in the U.S.



*Private sector now at 6.6%

Unions ≠ Works Councils

Unions

- Organized per industry branch
- Most CBAs are concluded for industry sector
- Represent members only
- Conclude collective bargaining agreements regarding material terms and conditions

Works Councils

- Established for a site
- Represent all employees of site
- Conclude works agreements regarding daily/operational matters of site

Unions/Works Councils

Works Councils Systems* (thresholds for unions/wc vary by country)

Single channel System

Employee representation
in the company takes
place primarily through
unions



Finland, Italy, Sweden,
Denmark, Latvia, UK,
Ireland, Romania,
Czech Rep., Lithuania

Unions represent employees
on site

Dual channel System

Unions and WCs have
separate duties, not
linked on organizational
level



Germany, Luxembourg,
Netherlands, Austria

Unions have little/no
influence on operational
matters

Both, unions and WCs
have representation
rights



Belgium, France, Greece,
Spain, Hungary, Denmark,
Slovakia, Poland

WCs and unions have
influence/ rights
re: operational matters

Negotiation Subject Matters

Broad scope of issues: e.g. all working conditions	Restricted scope of issues	Generally working time and pay
Germany	Spain	Austria
France	Slovenia	Czech Rep.
Italy	Cypruss	Denmark
Finland	Estonia	Hungary
Greece		Ireland
Malta		Latvia
Poland		Lithuania
Portugal		Slovakia
Romania		United Kingdom
Sweden		
Luxemburg		

International Framework Agreements



- **What are they?**
 - Between Multinational Companies & Global Union Federation
 - Generally apply to foreign subsidiaries and suppliers
 - Most European MNCs are signatories
 - Typically guiding principles
 - > 80% refer to ILO Conventions 87 and 98

International Framework Agreements

“ . . . support [of] and respect for fundamental human rights including **freedom of association** and the **right to collective bargaining** . . . in all . . . workplaces”



International Framework Agreements

“ . . . recognizes and respects its employees’ right to **associate freely**, form and join a union, and **bargain collectively** in accordance with applicable law . . . **will not allow any member of management** or agent of the Company **to undermine this right** or pressure any employee from exercising this right . . . ”

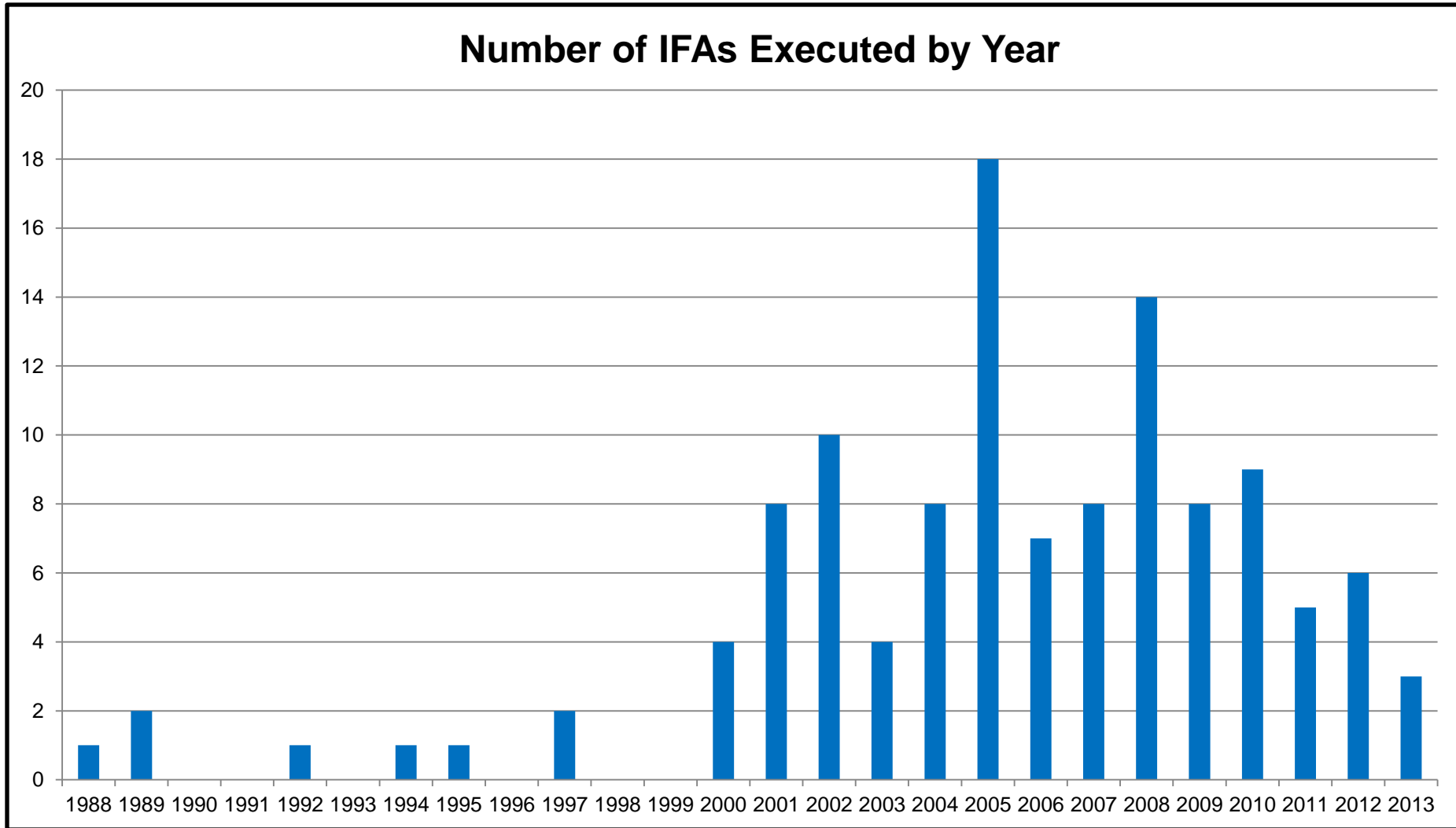


International Framework Agreements

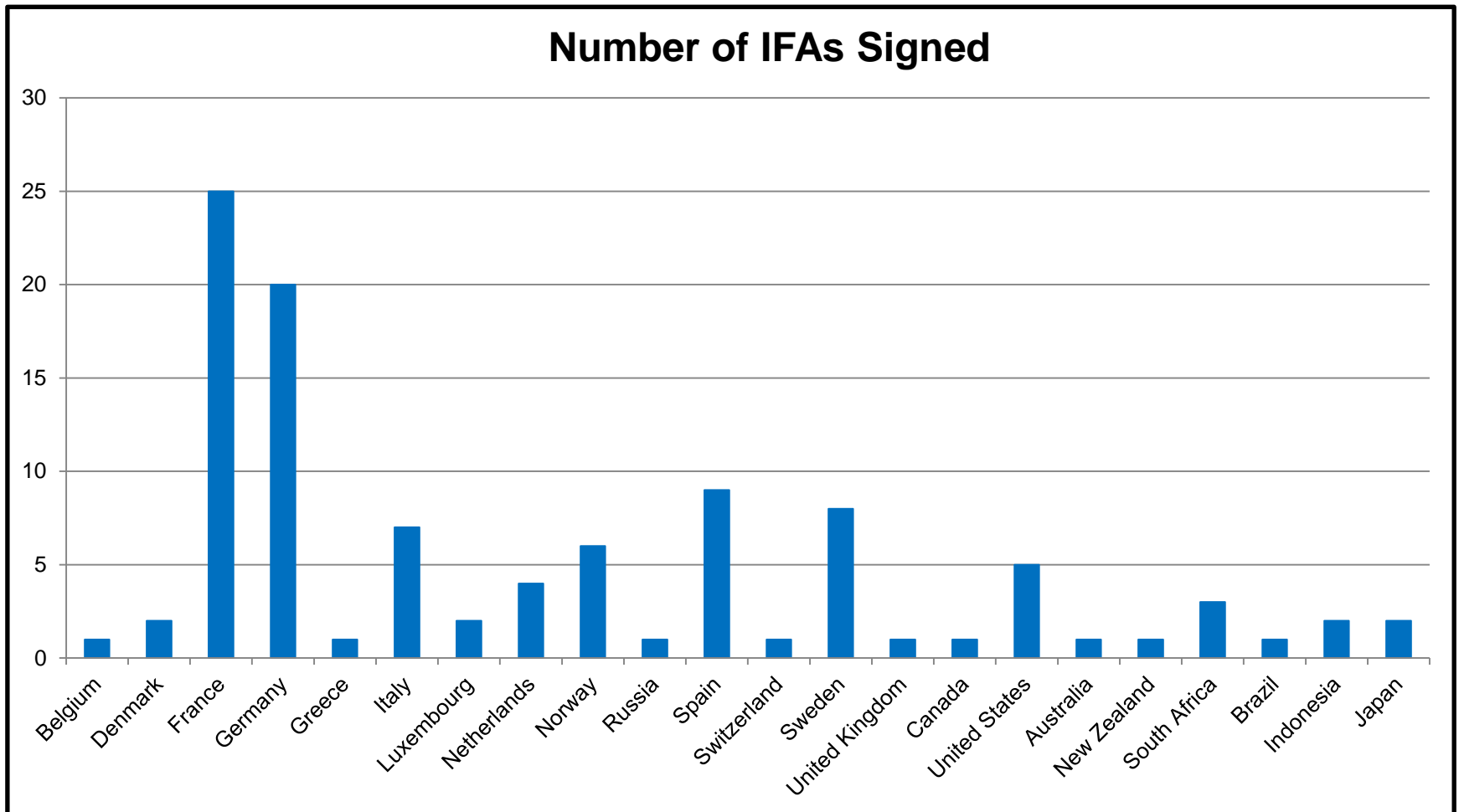
“ . . . acknowledges the human right to form trade unions . . . during organization campaigns the company and the executives **will remain neutral** . . . respects the right to collective **bargaining** . . . **Freedom of association will be granted** even in those countries in which freedom of association is not protected by law . . . ”



International Framework Agreements



International Framework Agreements



International Framework Agreements

- **Potential Benefits:**
 - Positive publicity
 - Appeals to consumers' & investors' social consciousness
 - Uniformed approach to labor relations



International Framework Agreements

- **Potential Disadvantages:**
 - Institutional support for unionization when local or regional management/law differs
 - Institutional support for neutrality when local or regional management/law differs
 - Limits local leadership
 - May fail to consider:
 - corporate & supply chain
 - vast differences in employee representation systems

The Challenges Unions Face



- **Membership decline**
- **Lack of growth in emerging markets**
- **Funding issues**
- **Consolidation**
- **Local interests trump regional or national solidarity**
- **Stop the loss of union jobs in legacy economies**

Global Union Campaigns

- **Attempts to increase “power without members” and to make organizing easier**
- **Top down organizing**
- **Company networks or global works councils**
- **Engage with top management to reach IFA's neutrality**
- **Name and shame – international campaigns**
- **Enter into IFA's with detailed provisions re: union recognition superseding local law**



Types of Global Union Campaigns



1. Pressure on HQ (seen in highly regulated, labor friendly countries)

- companies with large numbers of MNC employees
- jobs cannot be off-shored or automated

2. Sidestep: find the pressure point – outside influences

- to increase and facilitate union membership
- socially attractive issues
- attempt to create level playing field across the MNC

3. Target subsidiaries of MNC's in growth economies to increase labor standards / costs at the MNC subsidiary

- to make off-shoring less attractive
- damage reputation of MNC

4. Take advantage of global union networks, especially in MNC's

Opportunity, Solution, or Intrusion?

- **Opportunity?**
 - Yes...for Unions
- **Intrusion?**
 - Yes...e.g. Volkswagen
- **Solution?**
 - Yet to be seen



THANK YOU

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