

Chapter 13 Case Study

International trade union collaboration: responding to restructuring

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The internationalization of capital and the growing role of MNCs is now an accepted fact of the global environment. This has played a major role in forcing through changes to employment systems and in generating new types of management and work related systems. MNCs have not just brought change through their investment strategies and decisions to relocate to contexts which have different levels of labour costs and regulatory cultures in terms of legal rights and state support. In some cases they bring new forms of HRM in terms of recruitment or participation strategies, such as the role of Japanese firms in Malaysia and the United Kingdom during the 1990s and even going way back to the role of American firms abroad during the 1950s and 1960s.

For trade unions part of the challenge has been the fact that when restructuring of a workplace takes place in terms of redundancies and the relocation of production by MNCs they are having to coordinate across a much wider space and set of arenas internationally. This can be a challenge because the legal systems allowing or contextualizing restructuring in terms of the labour legislation on the notice period that has to be given may vary between countries. Also, there may be a lack of understanding of the overall strategies a MNC has or the way it restructures as a firm. The ability to enter into a dialogue or question that restructuring may vary due to the nature of the political skills of a trade unionist within that firm or the way economic information has been gathered. There are many cases where the ability to understand or even access the accounts or financial record of a company varies between countries.

Over the past few years trade unionists within specific contexts have therefore looked at the question of international co-ordination as a way of facilitating a more proactive response to the way their employers are restructuring. Responses to this challenge have varied, but we can see various levels of response.

For example, it is now very common for trade unionists to try and contact their counterparts in other countries as a way of exchanging information about a firm and in the case of the US car manufacturers such as Ford or General Motors this has become a common feature, with trade unionists visiting overseas plants and attempting to exchange experiences much more and get a sense of the direction of investment and the nature of changes being proposed. Some MNCs have been more open – in relative terms – to such exchanges and even facilitated them, although this varies according to whether a firm has a history of dialogue with worker representatives or not. Nevertheless, we are seeing greater interaction across national boundaries and through the Internet as workers attempt to understand the changes and when possible play a part. These informal links can assist the development of a dialogue across the different parts of a MNC by its workforce.

Second, there are instances when MNCs such as the insurance company AXA assist the dialogue between workers and trade unionists in different workplaces through its international operations as a way of developing a broader set of principles and frameworks regarding the way it shifts resources and changes employment processes in quantitative and qualitative terms. Chapter 13 talks about the

development of European and Global Works Councils in some of the more sophisticated firms (see also Waddington 2012). The problem here is that elites of worker representatives may become disconnected from the needs of the local workforce. In one German company operating in the United Kingdom representatives found themselves finding their trips to such meetings and the German plants an important means of understanding the firm and its development, but they were sometimes presented as minor players in a discussion between German trade unions and management over which they had very little control.

However, third, the international trade union movements such as the European Trade Union Confederation (see Chapter 13) have developed a range of strategies to allow trade unions across national boundaries and within specific sectors and firms to mutually learn and develop ways of understanding restructuring processes (Pulignano et al. 2013). In one case different trade unionists from the textile sectors of two countries were helped to develop a step-by-step computer program which would assist them in understanding the different stages of restructuring in terms of the early signs, the way notice was given, the way to study company accounts, and so forth (ibid.). The 'chemistry' of restructuring was studied and noted through a set of templates. In addition, the impact of specific international legislation on posted workers (see Chapter 11) and the way to lobby politically against it was developed by the one international union federation as a way of not just responding but of challenging the development of European Union law (ibid.). In effect, there are many instances when projects have been developed to comprehend the stages of restructuring, the way to negotiate change, and even create cases for dealing with the consequences of organizational restructuring by developing training programmes for affected workers. The question becomes how a common response to the causes, development and consequences of restructuring are evolving across borders.

Questions

- 1 In your view what kinds of challenges would the reduction of staffing levels within a specific MNC site bring to its workforce?
- 2 What do you think are the characteristics of those firms which tend to negotiate with its workforce on such changes?
- 3 How have trade unions responded to these patterns of change according to the materials above?
- 4 What kind of information do you think is important for ensuring either a more responsible restructuring or a less negative impact on workers affected by change?

Reference

Pulignano, Valeria, Martínez Lucio, Miguel and Walker, Steve (2013) 'Globalization, Restructuring and Unions: Transnational Co-ordination and Varieties of Labour Engagement', *Relations Industrielles* 68(2): 261–289.

Waddington, J. (2010) *European Works Councils and Industrial Relations: A Transnational Industrial Relations Institution in the Making*. London: Routledge.