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Title: Trade unions and the World and European Social Forums: a move towards social movement unionism?

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Trade unions and the World and European Social Forums: a move towards social movement unionism?

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Note about the author

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Introduction

It is generally accepted that globalisation has put labour and trade unions increasingly under pressure. Historically established at the national level, unions find it more and more difficult to respond to global restructuring pressures. Should they continue to focus on negotiations with employers’ associations and governments, should they start to intensify co-ordination with other trade unions at the international level, or should they emphasise co-operation with other social movements? In this presentation, I will first discuss the consequences of globalisation for labour and trade unions. Then, I will outline and assess two current strategies, visible within the World and European Social Forums, before concluding with an outlook on possible future developments. The main purpose of this paper is to raise questions for further discussion.

Implications of globalisation for labour and trade unions

Two main developments can be related to globalisation from the perspective of labour movements. First, globalisation has led to an increasing transnationalisation of production, with the production of many goods being organised across borders. Outflows of FDI rose from US$ 88 billion in 1986 to US$ 1187 billion in 2000 as peak year (Bieler 2006: 50). Overall, ‘the number of TNCs worldwide has risen to about 77,000, with at least 770,000 foreign affiliates’ (UN 2006: 10, see also 271). As a result, workers in the North and South are brought into competition with each other in these transnational production sectors. Often national trade unions are confronted with the threat that unless they agree on concessions, employers will transfer production units and jobs to locations with lower labour costs. ‘All over the globe these increased possibilities of relocation,
and the threat to relocate, are creating widespread risks of underbidding, where workers are forced to press down each others’ wages and working conditions in face of risking losing their jobs’ (Bieler, Lindberg and Pillay 2008b: 272). Even within Europe, an intensification of this kind of competition can be noticed, as labour costs are considerably lower in Eastern Europe than in Western Europe. The difficulties for trade unions as representatives of workers are clear. Historically, labour movements emerged within developed countries and obtained considerable power especially in the post-war era. They were to a large extent able to fulfil their main function of organising a monopoly of labour, ensuring common wage levels for industrial sectors through collective bargaining with employers’ associations backed up by strikes if necessary. This prevented workers from competing with each other through lower wages. With production increasingly organised across borders, the national structures of labour movements are no longer adequate to fulfil this function and, as some argue, have become outdated. The formation of truly international unions has, however, been difficult and the current international labour organisations, be it the International Trade Union Confederation (ITUC) at the international level, be it the European Trade Union Confederation (ETUC) in Europe, be it sectoral organisations, are rarely more than secretariats co-ordinating the activities of their national affiliates. Hence, the increasing danger of workers competing with each other over jobs on a global scale through offering lower wages.

Second, globalisation has led to an increasing informalisation of the economy. This is especially the case in developing countries, which had never been in a position to establish a large industrial sector with permanent and secure employment.
‘In the majority of the countries of the South, informalized workers – temporary labour, informal labour, the self-employed, the unemployed, street sales-people, those who sell their own services – constitute the majority of the working class. These groups of informal workers are growing because of high unemployment, the decreasing availability of guaranteed employment and increased informal employment; and the continuous migration from the rural areas to the towns and cities’ (Bieler, Lindberg and Pillay 2008b: 266).

Nevertheless, informalisation more and more also affects developed countries in the North, where employers are on the offensive and demand a flexibilisation of the labour market with the argument that this would be necessary in order to retain competitiveness. The exact extent of informal employment is difficult to measure. Overall, however, based on an ILO study, it can be concluded that

‘in developing countries, informal employment comprises one half to three-quarters of total non-agricultural employment, ranging from 48 per cent in North Africa (of which 62 per cent is self-employment and 38 per cent wage employment) to 51 per cent in Latin America (60 per cent self-employment), 65 per cent in Asia (59 per cent self-employment) and 72 per cent in Sub-Saharan Africa (70 per cent self-employment). In developed countries non-standard or atypical work comprised 30 per cent of all employment in 15 European countries, and 25 per cent of total employment in the United States’ (Bieler, Lindberg and Pillay 2008a: 9-10).
Unsurprisingly, ‘the increasing informalization of work creates a threat to basic living standards and the dignity of hundreds of millions of workers and their families’ (Bieler, Lindberg and Pillay 2008b: 267). Traditionally trade unions were strongest in industrial sectors with large companies. Many workers in one and the same location were easier to organise. The rising service sector industry in combination with the informalisation of the labour market has made the organisation of workers increasingly difficult for trade unions. A decline in membership is the general picture. Additionally, there is the danger of a potential conflict between unionised workers in relatively stable employment conditions on the one hand, and non-organised workers in the periphery of the labour market or unemployed. The former may be tempted to pursue protectionist measures against the latter. Hence, trade unions may become the representatives of a labour aristocracy, which occupies privileged jobs in smaller and smaller parts of the economy (Pillay 2008), leaving them in a position of being unable to defend the interests of the working class as a whole or general society more widely.

**Current labour strategies at the World and European Social Forums**

At the World Social Forum in Nairobi, two different strategies for labour could be identified. On the one hand, there was the ITUC and its allies, launching their Decent Work initiative. This strategy implies an active engagement with international organisations such as the WTO and individual countries in order to ensure decent work for everybody through the inclusion of social clauses into trade agreements. On the other hand, representatives of more radical trade unions and organisations related to the labour movement more widely have started to establish an international network, which
emphasises intensified co-operation with other social movements based on a more comprehensive definition of worker and a wider agenda covering issues beyond the work place (Bieler 2007). Both strategies were again expressed at the European Social Forum in Malmö in September 2008. In the following, I will raise several questions in relation to these two strategies.

In many respects, the Decent Work initiative by the ITUC mirrors the traditional strategy by Northern trade unions in the post-war era, which obtained concessions for workers in tripartite negotiations with employers and the state. Clearly, this strategy was highly successful and the results hugely impressive. Workers participated in the increasing wealth thanks to almost guaranteed full employment and continuously rising real wage levels. An ever more expansive welfare state provided additional benefits in relation to housing, health, education and other social provisions. Unsurprisingly, the post-war decades are frequently described as the thirty glorious years. Nevertheless, we must remember that these arrangements were never extended to the Global South and developing countries. Northern industry and agriculture were protected against imports from developing countries and bold modernisation strategies following formal independence ended often in tears. The general disappointment in the Global South was reflected in the emergence of dependency theory and the concept of ‘development of underdevelopment’ (Frank 1967/1969). Arguably, the success of tripartite negotiations in the North was based on the continuing super-exploitation of developing countries in a situation of combined, but uneven development. Against this background, is it actually possible in practice to extend this strategy to the global level?
Second, the Northern strategy of tripartite negotiations with employers’ associations and governments was based on high unionisation levels and strong employers’ associations, able to impose agreements on their members. These conditions do not exist at the international level. Although the ITUC represents 168199402 workers in 304 affiliated unions in 153 countries and territories (ITUC, http://www.ituc-csi.org/IMG/pdf/ITUC_List_Affiliates_Nov._2006.pdf; 24/02/2007), unionisation levels are comparatively low. This is difficult to measure at the global level, but there is data which confirms that membership levels in most of the developed countries continues to decline (see, for example, http://www.eurofound.europa.eu/eiro/2004/03/update/tn0403105u.htm; 10/10/2008). If we consider the increasing informalisation of the economy and trade unions’ problems to organise these sectors (see above), this conclusion is even clearer.\(^1\) Equally, there is no counterpart for trade unions at the global level, which is able or willing to enforce agreements. Groups of states and individual international organisations are not in a position or willing to enforce agreements with trade unions onto private companies. In short, how can the Decent Work initiative function without highly organised central institutions of capital and labour?

Third, the advances made by labour in developed countries after the Second World War depended on friendly parties in government. In many respects, social democratic labour parties and trade unions had emerged in tandem as two arms of the

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\(^1\) For a more optimistic analysis, see the study by the New Unionism network on labour movements in 106 countries since 2000, claiming that trade union membership has actually increased (http://www.newunionism.net/library/member%20contributions/news/Union%20Federations%202000-2007.htm; 10/10/2008). The validity of this data is highly contested. I am grateful to Richard Hyman for drawing my attention to this data.
same movement during the 19th century to take up powerful positions in the 20th century. These partnerships have increasingly been strained at the national level with social democratic labour parties also adopting a strategy of neo-liberal restructuring (Upchurch, Taylor and Mathers 2009). More significantly, these positive conditions never existed internationally. At the global level, the counterparts of the ITUC such as the WTO or IMF are often behind the neo-liberal policies, which are increasingly spread and often enforced across the world. Even within the European Union (EU), often regarded as a suitable arena for the strategy of social partnership, the Commission as one of the main counterparts for trade unions is not comparable to post-war social democratic governments. If at all, it is the Commission which is behind the drive of neo-liberal restructuring through spreading a discourse of competitiveness (van Apeldoorn 2003: 125-30). Would not a political ally be necessary for the Decent Work initiative to function at the global level and, if so, who could be this ally?

A concrete example of the limitations of the Decent Work initiative is European trade unions’ engagement with the European Union’s (EU) Global Europe strategy. The Global Europe strategy and the related European Partnership Agreements (EPAs) with African, Caribbean and Pacific countries are presented by the European Commission as ‘trade and co-operation agreements at the service of development’ (http://ec.europa.eu/trade/issues/bilateral/regions/acp/index_en.htm; 05/10/2008). They would help these developing countries to become integrated into the global trading regime and attract more FDI. Critical NGOs, however, such as War on Want question this benevolent interpretation. They argue that ‘the Global Europe strategy represents a determined assault on the economies of the developing world in the interest of European
capital, and a parallel attack on the social model of the EU’ (War on Want 2008: 4). The strategy would be used to open up developing countries for transnational European service provider companies and ensure unimpeded access to these countries’ natural resources. In other words, it is alleged that the strategy is driven by the interests of European business and not the concerns for development. European trade unions, supportive of free trade in principle, demand the addition of social clauses, very much in line with the Decent Work strategy, to provide protection for workers against the negative impact of these agreements. As Juan Moreno, an ETUC adviser, argued at the workshop *Decent Work and sustainable development: challenges for Europe*, held at the European Social Forum in Malmö on 18 September 2008, the ETUC wants to ensure that ‘Decent Work’ becomes part of any trade agreement between the EU and Latin America. Hence, the ETUC demands vis-à-vis the EU Commission that trade agreements must include a social clause negotiated between the ETUC and Latin American trade unions.2 Nevertheless, how can such a social clause be effective, if an increasing part of the population is working in the informal economy, i.e. areas where social clauses would not apply? At the same workshop, Claudio Falasca from CGIL/Italy argued that future strategies should concentrate on making workers the main agent and on the work place as the main area of struggle for social rights through social clauses.3 Again, the same question applies. How can this strategy be successful, if we take into account that the

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2 Participant observation by the author at the European Social Forum in Malmö/Sweden in September 2008.

3 Participant observation by the author at the European Social Forum in Malmö/Sweden in September 2008.
traditional workplace is becoming less and less the norm with increasing numbers of workers being employed in the informal economy?

Finally, and most importantly, we need to remember the historical preconditions of the establishment of tripartite institutions and the welfare state after the Second World War. It was only when labour could match the power of capital that the latter were prepared to set up bipartite and tripartite institutions and enter a class compromise with the concessions of full employment and an expansive welfare state for labour (Wahl 2004). In short, trade union strength vis-à-vis capital came first and was often ascertained in long and hard industrial conflicts. Negotiations and tripartite institutions followed, when capital found itself pressed into making concessions. Is this condition of labour power matching capital currently present at the global level? In sum, while positively intended, there are a whole range of question marks in relation to the practicality of the Decent Work initiative.

The Labour and Globalisation Network takes the issue of power as its starting-point and argues that trade unions will only be able to challenge neo-liberalism successfully, if they repose the question of class power. Considering that formal employment becomes increasingly less the norm, the definitions of work and of work place have to be broadened in order to capture the expanding informal sector. Importantly, trade unions are often not the best organisations able to organise the informal sector. StreetNet International and its attempt to organise street vendors in response to globalisation is a good example of a non-union organisation, successful in

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this respect. Hence, co-operation with other social movements is at the heart of the Labour and Globalisation Network’s understanding of the best way forward. Nevertheless, trade unions and new social movements have a different history and a different internal structure. The former emerged parallel to the industrialisation of individual countries and have an internal structure of representative democracy. Traditionally, they concentrated on engaging with employers and the state in order to represent the interests of their members. New social movements, on the other hand, often emerged in response to specific issues such as nuclear energy, global debts or development. There are no comparable internal structures of accountability and it is often unclear whom they actually represent. Will it be possible for both sides to overcome these differences for joint initiatives?

Of course, trade unions will only be able to rely on the solidarity of other social movements, if they too support their struggles in return. This may include support for campaigns, for example, which have the intention to ensure the universal access to public services such as clean water. In other words, trade unions will have to focus on issues beyond the workplace. Do trade unions have the capacity to do so and can they find ways of how to involve their members in wider struggles beyond the work place?

Clearly, co-operation with new social movements offers the possibility to expand the social basis of resistance. However, a fundamental question mark remains in relation to the different strategies of these two ultimately different types of actors. Trade unions have been and remain important for any strategy of resistance, because through the strike weapon they have the power to disrupt directly the process of accumulation and the creation of surplus value. New social movements, by contrast, in their focus on consumer
boycotts or lobbying, for example, are not operating in the sphere of production. The question is, how can these different strategies be effectively combined? Equally, expanding the definition of work place is a good strategy to comprehend the new dynamics of globalisation. As this includes, however, non-traditional work places such as ‘self-employed’ street vendors, the traditional strike weapon of trade unions does no longer apply. There are signs of how this too can be re-thought in an imaginative way. An examples of street vendors in Zambia in 2004/2005 proves Pat Horn’s (StreetNet International) point that new forms of bargaining are required, in which it is not employers, who are the negotiating partner. When the employees of a municipality were not paid for months, street vendors organised in the Zambia National Marketeers Association (ZANAMA), in solidarity with the employees organised by the Zambia Local Government Workers’ Union (ZULWU), threatened the municipality to pay their taxes directly to the employees instead of the town hall.\(^5\) In other words, there are tools available, which may operate similar to industrial strikes and can bridge the gap between the formal and informal economy. Nonetheless, can these different strategies and power resources of trade unions and social movements be combined successfully more generally?

**What future strategies for labour?**

The Decent Work initiative and the Labour and Globalisation Network strategy represent two different strategies forward. Are they mutually exclusive? Not necessarily. First, because the implementation of the Decent Work initiative can potentially be undertaken

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together with social movements. As Anne Van Laer from the Belgian union CSC outlined in the seminar *Decent Work and sustainable development: challenges for Europe* at the European Social Forum in Malmö on 18 September 2008, in Belgian the mobilisation for Decent Work is carried out jointly by trade unions and NGOs. On 7 October, 20000 NGO volunteers opened the campaign by going into the community and introducing the strategy and related demands for social rights. This will be followed up by trade unions from May 2009 onwards, when they approach workers during lunchtime breaks introducing them to the Decent Work initiative.\(^6\) Similarly, both strategies can be combined in that the social dialogue approach of Decent Work is implemented where feasible, but it is recognized at the same time that this cannot be the endpoint of a campaign, which ultimately needs to extend into the informal sector of the economy and question capitalism itself more fundamentally (Bieler 2007). Finally, at the ESF in Malmö, a call was also made in favour of a diversified strategy, a relativist approach, which accepts different strategies at different times depending on local and national circumstances.\(^7\) In other words, a one-size-fits-all approach may not be suitable when thinking about future strategies for trade unions.

From this perspective, several different potential strategies can be identified. The European Metalworkers’ Federation (EMF), for example, has been at least partly successful at co-ordinating individual national collective bargaining rounds at the European level, asking its national member federations to demand wage increases

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\(^6\) Participant observation by the author at the European Social Forum in Malmö/Sweden in September 2008.

\(^7\) Presentation by Ingemar Lindberg, a former trade unionist and now senior researcher of the Arena think tank/Stockholm, at the seminar *Future Strategies of the Global Working Class* at the European Social Forum in Malmö on 18 September 2008. Participant observation by the author.
according to the formula productivity increase plus inflation. The aim is to avoid competition between different national labour movements trying to underbid each other through wage concessions (Schulten 2004: 307-311). Further positive examples of trade union co-operation across borders include the FoC campaign by the International Transport Workers’ Federation (ITF) and its goal of establishing an international minimum wage for ship crews as well as the attempts by the VW works council to negotiate a social charter, which confirms minimum standards across all VW production sites around the world (Bieler, Lindberg and Pillay 2008b: 277-8). Co-operation with other social movements too has been attempted within the EU. The European Federation of Public Service Unions (EPSU) has pursued this strategy in defence of a system of integrated public services within EU member states (Bieler 2005: 475-7). And, of course, social dialogue with employers and governments can also continue to play a role in certain places. Some gains have been obtained at the European level in the multi-sector negotiations between the ETUC and UNICE for the employers such as the Parental Leave Directive of 1996. Social dialogue is only dangerous, if it is adopted as the strategy for all situations. In short, there are a whole range of different strategies available, one of which is the increasing co-operation with social movements. Creative thinking about which strategy is most suitable in which situation may be the way forward, rather than thinking that there is one specific strategy, which should be pursued in all situations.
References


