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In the wake of neo-liberalism: deregulation, unionism and labour rights

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INTRODUCTION

The context for this review essay is set by the international neoliberal onslaught on unionism and labour rights of the past three decades. This has encompassed deregulation and decentralization of industrial relations, combined with an extensive ‘flexibilization’ of labour markets, pay and working conditions. The essay is based on a discussion of three recent edited collections which address respectively: unionism and worker voice in ‘Anglo-American’ workplaces; global unionism and cross-border campaigns; and the impact of globalization and flexibilization on employment in Asia-Pacific nations. The essay assesses to what extent organized labour can provide viable alternatives to the neoliberal prescription of deregulation and employer-driven flexibility.
Just over 30 years ago, in ‘The Forward March of Labour Halted’, Eric Hobsbawm reflected on the stagnation of the British labour movement since World War II. Union density, he noted ruefully, had stalled, the 1978 figure of 46 per cent being only slightly higher than it had been in 1948 (Hobsbawm, 1978: 285). Hobsbawm was writing shortly before the election of the Thatcher government – the neoliberal onslaught, with its waves of privatization, deregulation, decentralization and anti-union legislation, was yet to hit the UK. A further three decades on, though, the 1970s could reasonably be seen as a lost golden age for unionism. Today the picture for British unionism is bleak, union density having slumped to under 30 per cent in 2008 (DTI, 2008). This picture of decline is broadly replicated elsewhere in the other predominantly Anglophone nations. Irish union density had fallen below 32 per cent by 2007 (CSO, 2008). In the United States, union members constitute only 12 per cent of the workforce, although in Canada union density is relatively buoyant at just over 30 per cent (BLS, 2008; Statistics Canada, 2008). In both Australia and New Zealand density has hovered precariously around twenty per cent for several years. (ABS, 2008; Statistics New Zealand, 2008) This broad, if uneven, decline in unionism and the attendant emergence of non-union channels for worker voice provides the main impetus for What Workers Say.

The editors group these ‘Anglo-American’ nations together as representing ‘a distinct capitalist model’, with the geographically adjacent countries possessing particularly close ties. The book’s chapters draw on the methodology first used in the 1994–95 US Worker Representation and Participation Survey (Freeman and Rogers, 1999). Employee voice is interpreted as both union and non-union voice, with four main issues being addressed: (1) union representation gaps – unsatisfied worker demand for union representation; (2) worker views on the effectiveness of representation; (3) worker attitudes towards different forms of participation and styles of voice; and (4) the institutional constraints on worker voice in the Anglo-American nations, and possible alternatives.

Rapidly declining private sector union density is a common feature across these countries. In the book’s first chapter, Richard Freeman identifies a high unmet demand for unionism, while US labour law has constrained companies’ ability to provide the kinds of non-union collective voice institutions evident in other countries. Freeman finds that at least a third of non-unionized workers want a union presence, while most workers favour a joint union-management workplace decision-making institution, believing that such organizations can be effective only with management cooperation (pp. 27–37). Freeman examines four main
explanations for the limited availability of adequate voice mechanisms: (1) management opposition; (2) workers’ loss of interest in unionism; (3) poor union organizing efforts; and (4) the restricted choices afforded by US labour institutions. Management opposition is clearly significant, particularly in National Labour Relations Board (NLRB) elections on unionization (pp. 40–1). Freeman suggests that, although there has been a surge in support for union representation, the cost of union organizing campaigns has increased considerably as resources have dwindled with membership losses. The unduly complicated NLRB framework remains a further obstacle to the achievement of both union and non-union voice to meet the evident unmet demand. Important recent innovations to encourage unionism have included the American Federation of Labor and Congress of Industrial Organizations (AFL–CIO)’s community arm, Working America, which has reached out (principally via the internet) to non-union members (pp. 42–7). However, Freeman is pessimistic concerning the capacity of the US labour relations system to provide for union and non-union voice mechanisms (pp. 47–8). In 2009, though, the prospects for such change have brightened, under the Obama presidency. The Free Choice Act, introduced to both Houses in March 2009, has the potential to make union NLRB certification a less arduous process and to reduce the capacity of employers to derail unionization campaigns.

The dramatic US decline in union density has not been replicated in Canada, despite its decentralized collective bargaining system. Michele Campolieti, Rafael Gomez and Morley Gunderson illustrate how Canadian labour law and practice differ in important respects from the USA’s. These include enabling groups of workers to deal directly with management, without union involvement, and the absence of any ‘right to work’ provision like that applied in 22 (mostly Southern) US states, whereby workers cannot be required to join a union or pay union dues (pp. 51–68). Campolieti et al. believe that Canada’s level of unionization can be maintained, especially since Canadian unions have emphasized their role in providing voice, rather than their monopoly bargaining role, and there is no great employer push for anti-union legislation, while there is still an unmet demand for unionization (pp. 70–1.) Hence a combination of factors, including reasonably supportive legislative frameworks and the conciliatory strategies adopted by unions and employers, has contributed to Canada’s comparatively robust unionism and the facilitation of non-union voice channels.

A very different, more turbulent environment provides the backdrop for the discussion of UK unionism by Alex Bryson and Richard Freeman: the lengthy period of Conservative government from 1979 to 1997, which brought a dismantling of support for unionism and an ensuing decline of union density. The Labour victory in 1997 brought the Employment Relations Act 1999 and a generally more favourable environment, with
union density stabilizing in the mid-2000s. Bryson and Freeman identify the Labour government’s 2000 reversal of the UK’s 1994 ‘opt out’ from the 1994 European Works Councils Directive to establish work councils in larger firms as the most critical change: collective voice, particularly the growth in non-union voice channels, has become an increasingly important issue for unions (pp. 73–4). Using the 1998 Workplace Employment Relations Survey and the 2001 British Worker Representation and Participation Survey, they produce several significant findings. Workplace needs and reported problems are distributed very unevenly between workers; unionized workers report more problems, except where a strong union has a good working relationship with management; non-union voice channels generally reduce workplace problems and needs; most workers prefer conciliation to confrontation; while union effectiveness and management policies strongly influence workers’ desire for unions (pp. 78–93). Bryson and Freeman see the combination of unions and works councils as offering the greatest potential for unions to demonstrate their value and encourage union membership, although they estimate unmet demand at only 10 per cent of employees (pp. 86–95). Therefore, union and non-union voice mechanisms can be complementary, and even mutually reinforcing, rather than mutually exclusive.

Unlike the UK, ‘social partnership’ between government, business and unions has prevailed in Ireland since 1987 but union density has still fallen dramatically. Drawing on two surveys conducted in 2003 and 2005, John Geary assesses to what extent this decline can be attributed to diminished union commitment and belief among members and/or to employer opposition to unionism. He finds that union members retain a mainly positive view of their unions, with a considerable majority of employees believing that the role of unions should extend to collaborative relationships with employers to improve organizational performance. Geary’s examination of non-union employee responses indicates significant unmet demand, while few employees indicated an opposition to unions in principle, although many, especially in non-union workplaces, saw unions as excessively adversarial – a view that surfaces in several chapters (pp. 110–5). Geary sees the EU Directive on Information and Consultation (giving employees a legal right to independent representation on issues of information and consultation, with or without a union presence) as being particularly important for the future of employee voice in Ireland (p. 124). As in the UK, then, the EU has emerged as an increasingly important influence on Irish workplaces, indicating the potential significance of supra-national regulation.

Ireland’s relative stability greatly differs from Australia’s industrial relations climate under a Liberal–National government, led by John Howard from 1996 until its electoral defeat by the Australian Labor Party (ALP) in November 2007. Julian Teicher, Peter Holland, Amanda Pyman and
Brian Cooper examine workplace voice and unionism under the Howard government’s Workplace Relations Act 1996 and its even more explicitly anti-union Workplace Relations Amendment (Work Choices) Act 2005. While union and non-union voices are seen as complementary, unions still face formidable challenges recruitment and organizational challenges (pp. 125–6). Drawing on a telephone survey of 1000 workers, Teicher et al. identify a substantial representation gap, but free-riding (whereby non-union members receive the pay and conditions negotiated by unions) remains a chronic problem (pp. 133–6). Union members exhibit a strong preference for greater management–union cooperation, while a considerable majority also believe that unions should focus more on improving organizational performance. Although the emphasis in unionized workplaces should be on cooperation, in non-unionized areas the establishment of direct and non-union representative voice mechanisms should take priority (pp. 138–40). Teicher et al. illustrate how, despite Work Choices, Australian workers retain a pluralistic view of industrial relations and support for unions continues, although there remains a large ‘bleak house’ section of the labour force with neither union nor non-union voice mechanisms (pp. 140–3). The election of an ALP government led by Kevin Rudd has led to a less hostile environment for unions, with the passing of the Fair Work legislation in March 2009.

New Zealand shares with Australia a history, originating in the 1890s, of centralized regulation of wages and conditions. However, in contrast to Australia’s relatively gradual process of industrial relations change, a National Party government rapidly decentralized and deregulated New Zealand’s industrial relations through the Employment Contracts Act 1991. Peter Boxall, Peter Haynes and Keith Macky find that non-union voice mechanisms have been growing in this context (see Haynes, 2005), but there is a substantial minority of New Zealand workers who would like to but have been unable to join unions, estimating a realistic potential union density figure of 30.5 per cent (pp. 152–3). Further union recruitment is hampered, though, by the overwhelmingly enterprise or workplace focus of bargaining, often in small or very small organizations, and the high incidence of free-riding (pp. 156–60). Boxall et al. conclude that, under a ‘tractable’ industrial relations system, management has become more consultative, but the substantial representation gap, particularly among lower-paid, less-skilled workers in smaller organizations, demonstrates the need for government to encourage non-union voice in these areas (pp. 164–5). Like Australia, New Zealand also has undergone a recent change of government, in November 2008, although from Labour to the National Party, which is unlikely to provide a supportive environment for unionism. New Zealand’s industrial relations system, then, is likely to remain the most thoroughly neoliberalized of these Anglo-American nations.
The book then shifts to three cross-national chapters. In the first of these, David Peetz and Ann Frost identify employee responses to the national surveys as encouraging, since union members remain pro-union and many non-members would like to join. Overall, union density seems to be stabilizing, while approximately one-third of workers in non-union workplaces would join if given the option. In the UK, Ireland, Australia and New Zealand, union reach is considerably higher than formal union density (166–9). Rand-style legislation (whereby non-members have to pay for the benefits provided by unions – for example, through a bargaining fee) may offer considerable potential in those countries where free-riding is a major problem (and in America’s right-to-work states). Nonetheless, unions still need to pursue more innovative recruiting and organizing strategies, to attract workers outside traditionally unionized areas. Internal union democracy, effective communication with members, and more active union delegate structures will be particularly critical to union renewal in the Anglo-American nations (pp. 170–80). These issues, identified by several other contributors, are clearly pivotal to any renewal of unionism.

A further critical issue, as noted in several chapters, is employer attitudes towards unions and voice mechanisms. John Purcell and Konstantinos Georgiadis ask the question, ‘Why should employers bother with worker voice?’ Drawing mostly on UK data, they assess the overall contribution of voice mechanisms to organizational performance, solving problems, and reducing demand for unionization (pp. 182–3). They find no conclusive evidence that employee voice improves organizational performance, although the combination of direct and indirect voice mechanisms can assist both in reducing the incidence of workplace problems and in dealing with these problems (p. 192). They conclude that employers who oppose unions tend to oppose employee voice, particularly indirect forms requiring employee representatives, but that these are a diminishing minority (pp. 196–7). Therefore, as illustrated in previous chapters, governmental and EU intervention can be crucial in changing the attitudes of employers, unions and workers to voice mechanisms.

The role of government is also pursued by Thomas A. Kochan, addressing specifically the US government’s responsibilities with respect to employee voice and representation. He argues persuasively that union decline damages the quality of democratic life and civil society, leading to increasing inequality, a loss of voice, the political marginalization of working families, economic under-performance and high-conflict, low-trust employment relations (pp. 198–200). Therefore, government should encourage union and non-union voice, although Kochan is more confident that government and union action can provide effective worker voice and reduce the representation gap in the other five countries than in the United States, without a dramatic shift in the political climate and union strategies (pp. 198–205). As mentioned earlier, the Free Choice Act may provide
a significant contribution to such a change, potentially contributing to a reinvigoration of unions and worker voice.

The degree of comparability across these countries is limited by the use of differing methodological and survey approaches in *What Workers Say*. There are variations in terms of: (1) time of survey; (2) demographic and employment characteristics of employees sampled; (3) the questions asked; (4) sampling techniques; and (5) the number of workers surveyed. The growing importance of supranational blocs and international agreements complicates this picture further – as illustrated by the impact of both the EC’s European Works Councils Directive and pan-European union organization and agreements, effecting a significant cultural shift in the attitudes of employers, unions and workers to voice mechanisms. Nonetheless, the pairings of the United States (at least the Northern states) with Canada, the United Kingdom with Ireland, and Australia with New Zealand permit several valuable comparisons on the character and future of unionism and employee voice.

The complementarity of union and non-union voice channels is of further importance. Collectivism has been in decline in many areas of civil society (Putnam, 2000), and non-union channels may at least encourage forms of collective participation broadly conducive to union activity. Optimism based on the assumption of unmet demand should be tempered, though. Unmet demand has a distinctly nebulous quality, as indicated by estimates that vary widely between the different countries, while employer opposition can effectively block many efforts to unionize. Also, unions may be neither able nor prepared to meet such unmet demand: they do not actively recruit in many workplaces, while the benefits of recruiting new members (particularly in small and/or isolated workplaces) may be outweighed by the costs of providing services to new members.

Across these ‘Anglo-American’ nations, then, the long forward march of labour has not just been halted: it has lurched backward into a protracted retreat, albeit with some signs of potential recovery. Unionism is a very different phenomenon from unionism three decades ago, yet the diversity of the contemporary workforce (in terms of its gender, ethnic and racial composition and its working arrangements) has not been matched by a comparable diversity in union organization: initiatives such as Working America are still relatively rare. However, this book provides considerable insights for the development of more flexible forms of union organization and voice channels that could respond to more flexible labour markets and more diverse workforces.

**GLOBAL UNIONISM AND THE ‘RACE TO THE BOTTOM’**

*Global Unions* has a related but distinct purpose: to contribute to labour movement research and campaigns that counter the power of
transnational capital and the global ‘race to the bottom’ in wages and conditions. The product of a 2006 conference of union representatives, academic researchers and non-governmental organizations, Global Unions contributes to an emerging body of literature which seeks to develop a new, community-based labour internationalism (see, for example, Barchiesi, 2001; Harrod and O’Brien, 2002). In her introduction, Kate Bronfenbrenner identifies three persistent impediments to successful cross-border union campaigns: (1) a shortage of people able to conduct and teach strategic corporate research; (2) unions’ lack of information on the employers with whom they are dealing; and (3) the lopsided character of many ostensibly international campaigns, particularly where Global North unions receive help from South unions without reciprocating adequately (pp. 2–6). Yet she describes how during the conference it ‘felt as if a global labour movement was indeed possible’ (p. 6). The main purpose of the book, then, is to deliver on this optimistic spirit: to provide a model of strategic corporate research and campaigning, illustrating the challenges cross-border campaigns pose for unions; to effectively portray, drawing on the work of scholars from various countries, the global character of cross-border union action; and to accelerate the development of a global network of unions and academics committed to shifting the balance of power from transnational capital to workers, unions and communities.

Tom Juravich pursues the first of these objectives, providing a framework and method for research and campaigning designed to go beyond traditional organizing and bargaining techniques (pp. 16–17). The limitations of single issue campaigns and local militancy indicate that success requires pressure on global capital at multiple points. Accordingly, Juravich charts a multi-dimensional model for corporate research, designed to apprehend the distinctiveness of each company by integrating such factors as management structure, history and strategic direction, and the respective roles of investors, customers, competitors, outside stakeholders, local communities and governments (pp. 24–7). Unlike traditional campaigns, which focus on direct decision-makers, strategic campaigns identify key relationships that link direct decision-makers to a firm’s operations, enabling unions to exert pressure in new areas (p. 35). Juravich proposes an expansion of the global labour movement’s research, analysis and teaching capacities, to inform proactive, rather than merely defensive, campaigns. The subsequent chapters in the book illustrate the extent to which unions might be able to achieve these ambitious goals.

Consequently, the collection needs to encompass a wide range of countries and industries, to assess the viability of cross-border campaigns. Peter Wad’s examination of the campaign by Malaysian workers, assisted by Danish unions, for union recognition at Euromedical (a Malaysian subsidiary of the Danish transnational APM–Maersk) provides an instructive example. Like Juravich, Wad takes as his basic premise that a traditional,
nationally oriented approach is insufficient to deal with the complexities of organizing against transnational corporations (p. 41). The long-running campaign had several distinctive features: its predominantly female workforce; the leading role of workplace union activists; and the support provided by both their national union and a Danish labour non-governmental organization (NGO) that included national unions, labour federations and sympathetic community and political groups (pp. 45–52). Reinforcing Bronfenbrenner’s observation on the often unbalanced nature of international union relationships, though, the Danish unions were unprepared to make meaningful sacrifices for Malaysian workers (pp. 53–5). While the main impediment to a speedier outcome was the highly legalistic, cumbersome Malaysian industrial relations system, the persistence of Malaysian organizations, taking the initiative in establishing international solidarity, was crucial to eventual success. International solidarity, then, has evident limits – limits best identified, as far as possible, at the outset of any cross-border alliance, to prevent them contributing to an eventual breakdown of solidarity. In this respect, the type of strategic analysis delineated by Juravich might well be extended to unions themselves and to potential allies.

Several of Wad’s observations resonate in the discussion of Indian labour legislation and cross-border solidarity by Ahwini Sukthankar and Kevin Kolben. Through an examination of two case studies, both involving the Unilever subsidiary, Hindustan Lever Limited (HLL), they argue that cooperation between Indian and Global North partners should be based on direct engagement, with a clear recognition of competing and complementary interests. India’s colonial history frames their elaboration of the racism, exclusion and differential treatment experienced by the Indian labour movement in its dealings with the Global North – particularly Britain – and a legislative legacy that continues to constrain contemporary industrial relations (pp. 59–60). Indian workers were denied the rights accorded to other workers, while British unions often supported protectionism and the British state, rather than pursuing international solidarity – a situation that continues today, as Global North unions and their allies frequently endeavour to exclude Indian goods and services (pp. 61–62; Gupta, 2002). As in the Malaysian example, Indian workers and local activists were able to take a leading role in developing cross-border strategies that went beyond union campaigns, using international research and addressing a range of stakeholders. Ultimately, a deeper form of international solidarity requires Global North unions to reflect on the history of colonialism and treat unions in the South as partners, with a mutual sacrifice of real interests.

Within the same region, Samanthi Gunawardana assesses the prospects for labour organization and global campaigns in Sri Lanka’s Export Processing Zones (EPZs), where 85 per cent of workers are relatively highly
educated young women from poor rural areas (pp. 78–9). Gunawardana uses the example of a successful campaign for union rights at the apparel manufacturer, Jaqalanka, in the Katunayake EPZ, involving a partnership between the Free Trade Zone Workers Union (FTZWU) and a grassroots Women’s Centre collective (pp. 79–80). Confounding the cultural assumptions typically made by EPZ firms (and several male-dominated unions), these young women workers conducted repeated, if sporadic, campaigns on such issues as non-payment of wages, management harassment and unfair dismissals (pp. 80–2). Despite protracted government and employer resistance, a resolution was eventually reached, and the union can now hold factory meetings, while discussions towards the first collective agreement in a Sri Lankan EPZ have been conducted (pp. 87–90). Women’s organizations, locally and internationally, have been particularly important, raising gender issues and forming the basis for further global alliances (pp. 91–4). Gunawardana identifies several priorities in cross-border organizing: creating direct worker-to-worker networks; constructing a better understanding of the local–global nexus; and unions and NGOs acknowledging both commonalities and contradictions in their relationships. The Women’s Centre and FTZWU partnership underscores the importance of local and international action that reaches out beyond the labour movement to wider communities, while also indicating possibilities for negotiating, if scarcely transcending, both North–South differences and the conservatism of many unions.

One of the most prominent historical and contemporary examples of global economic expansion and North–South conflict is the banana industry (see Wiley, 2008), a perennial metaphor for economic dependency. As Henry Frundt observes (p. 99), the industry has not figured prominently in international labour movement strategy and union density has declined since the 1980s. Some notable successes have been achieved, though. Assisted by support from North American and European unions as well as from small farmers and NGOs, banana industry unions have conducted effective cross-border campaigns against major companies including Chiquita, Dole and Del Monte. The Regional Coordination of Latin American Banana Workers’ Unions (COLSIBA) has played a key role, exploiting points of leverage and pursuing a comprehensive strategy resembling that outlined by Juravich, to achieve such gains as a global rights accord with Chiquita (pp. 99–106). Unions and small-holders have forged successful alliances around such issues as brand certification (stipulating specific social and environmental standards) and access to EU markets, while raising with customers the often questionable nature of corporate voluntary codes and claims to ‘fair’ trading (pp. 106–16). Frundt concludes that banana unions, through alliances tailored for each corporation, and their strategic use of certification programs and Fair Trade marketing, have formed an instructive counter-force against attempts to
erode wages, conditions and unionization. Therefore, targeted action organized through anti-corporate alliances can both lay bare the limits of often hollow corporate claims to social responsibility and re-infuse the concept of fairness with significant regulatory force. Despite justifiable labour movement and more general cynicism (as expressed by several authors discussed in this essay) towards corporate social responsibility (CSR) in its various incarnations, it may nonetheless afford counter-hegemonic possibilities.

The maritime industry, with its strategic importance and history of labour militancy, represents perhaps a more obviously critical area for global union strategies. In response to the dominance of global companies, though, maritime unions have often defended their immediate local interests at the expense of international class interests. This issue manifested itself dramatically following the EC’s 2001 directive, On Market Access to Port Services, which included giving shipping lines the right to employ their own workers rather than dockers, consequently threatening cross-border concession bargaining (whereby companies play off unions against one another). Using the social movement model of strategic union choice (Frege and Kelly, 2003), Turnbull analyses firstly European maritime unions’ initial success in having the directive rejected by the European Parliament in 2003, and then their new strategies when a revised directive emerged in 2004 (pp. 118–21). He illustrates the unions’ growing capacity to deal with EU-level issues and with supranational liberalization, indicating possibilities for new forms of international organization and underscoring the need to articulate collective interests at a European level. The linking of local, national and international union organization has been particularly crucial, then, in dealing effectively with pan-European ports policy shifts. Such strategies, though, appear to be definitively regional rather than global and may consequently encourage exclusion of non-European goods, services and workers – a persistent concern for Global South unions.

The interrelationships between the local, national and European levels of union organization also provide the main focus for Valeria Pulignano’s chapter, in which she assesses labour’s capacity to mobilize cross-nationally to resist concession bargaining. Using an example with obvious current relevance – the 2004 European restructuring by General Motors (GM) – she highlights the role of the European Metalworkers’ Federation in achieving coordinated European guidelines, standards and wages, restricting companies’ scope to enforce concession bargaining (pp. 140–2). Particularly valuable was the framework agreement between GM and the GM European Employee Forum stipulating that job cuts should occur through voluntary severance, partial or early retirement, outsourcing and retraining, instead of compulsory redundancies (pp. 144–7). There are significant obstacles to effective European union integration, including limited political will and national unions’ reluctance to sacrifice...
their respective sources of support. Yet Pulignano argues that unions overall have become more receptive to European-level organization, including greater horizontal and vertical integration of union structures. To prevent concession bargaining, unions need to enhance their cross-border communication as the basis for more effective action and the development of a genuinely ‘European view’ in which national responses are coordinated, to be achieved through binding rules and principles for cross-border union cooperation (pp. 153–4). Of course, in the wake of GM’s collapse, these issues resonate much more acutely now. The regulatory limitations of such agreements have manifested themselves dramatically in losses of jobs, wages and conditions cross-nationally, indicating that the rhetorical claims of unions, as well as corporations, may outstrip their capacity to deliver. The fragility of formal regulation is an issue that surfaces later in this essay, but with even more drastic consequences, for low-paid, non-unionized workers in Global South nations.

The value of community coalitions to effective cross-border union campaigns, a consistent theme throughout Global Unions, is addressed in detail by Amanda Tattersall with respect to global union alliances in general and specifically the partnerships developed by the Washington-based Service Employees International Union (SEIU) in its Driving Up Standards campaign (pp. 155–6). Tattersall provides a comprehensive framework of union–community coalitions, which occur at different levels and to varying degrees of depth, according to common concerns, structure, organizational commitment, organizational capacity and culture. She demonstrates how the power of a coalition increases according to the combined strength of the different variables. The establishment of deeper, long-term relationships, she argues, requires processes for dealing with inevitable conflicts of interest and for integrating mutual self-interest and reciprocity. These have to be renegotiated during campaigns, with the fostering of interorganizational connections critical to the development of trust (pp. 156–73). Therefore, here as in several other contributions, it becomes increasingly evident that any long-term alliance requires an initial, sober (and often sobering) analysis of the complexity of the issues to be confronted, if rhetorical appeals to solidarity are to be matched by strategic substance.

In this regard, the effectiveness of International Framework Agreements (IFAs), one of the more significant recent developments in cross-border union organization, merits scrutiny. Dimitris Stevis and Terry Boswell show how, with the growth of Global Union Federations (GUFs), IFAs have been introduced to provide negotiated rules (rather than unilateral policies) covering a corporation’s labour practices. Corporations sign global agreements due to three main factors, which are not mutually exclusive: (1) they have a history of collaborative industrial relations; (2) global agreements constitute a sophisticated element of CSR, allowing corporations considerably more freedom than mandatory legal changes; (3) European
firms, in particular, are prepared to sign agreements within a European industrial relations setting, while exhibiting little concern for the anti-union tactics of their non-European subsidiaries – an issue that appears repeatedly in this essay (pp. 180–1). For Stevis and Boswell, GUFs are essential to prevent fragmentation of global union politics, while strengthening them requires recognition that collaborative European industrial relations may not be replicated elsewhere – rendering more militant tactics necessary in other contexts. Global union strategies need to challenge capital’s creation of an expanded private domain in which it can proceed without any democratic oversight (pp. 182–94). However, as noted above, IFAs are often premised upon exclusion of the non-European, with implicit union acquiescence in the expansion of this private domain outside the European context. Such acquiescence can reinforce any doubts already held by Global South unions regarding the feasibility of global unionism.

At its worst, this domain extends to corporate involvement in human rights abuses, political instability and violent conflict – the topic of Darryn Snell’s assessment of unions’ capacity to hold major corporations accountable for such action in the Global South. Snell details how corporations can contribute to violence and the denial of human rights directly (for example, assisting in repression), indirectly (when they reject or ignore community concerns), and through inaction (failing to report or intervene when human rights abuses occur) (pp. 195–9). To deal with these issues, advocacy groups have had to conduct strategic research to understand how corporations might be held accountable, while acknowledging the difficulties of pursuing successful legal action against them. Two main strategies have emerged: legally binding regulations on corporate behaviour; and voluntary agreements by corporations to refrain from behaviour that might encourage violence, unrest or human rights abuses (pp. 204–8). For Snell, cross-border union campaigns that integrate NGOs and advocacy organizations, promoting the expansion of labour rights into broader human rights, will be crucial to the protection of workers in both North and South.

Yet, as Bronfenbrenner acknowledges in the book’s conclusion (pp. 214–7), even the literature on global union strategies has centred on North America and Europe. Nonetheless, these chapters illuminate the diversity of strategies pursued in various countries, providing valuable insights on the role of the state, the activities of union members and leaders, strategic research and campaign dynamics. Ending the ‘race to the bottom’, for Bronfenbrenner, requires unions in the Global North to commit substantial resources to assist Global South labour, to develop alliances with them against transnational capital, and to follow the Latin American example of promoting political forces that seek to redefine globalization in a more just way. This will require, though, a sharing of power and wealth with workers and unions in the Global South. She remains confident that global unionism constitutes ‘the single greatest force for global
social change and the single greatest hedge against the global race to the bottom’ (p. 225).

In practice, though, unions may fall considerably short of providing ‘the greatest hedge against the global race to the bottom’. While union activity no doubt influences pay and conditions beyond the unionized workforce (the ‘union reach’), at present the legislated minimum wage and labour law (however weakly enforced) provide the most important source of protection for an increasing number of workers. Even the contributors to *Global Unions* differ on the prospects for a genuinely global labour movement.

Scepticism is no doubt warranted. Internationally, unions have rarely enunciated a united voice. For example, while the International Confederation of Free Trade Unions (ICFTU), with membership in 145 countries and territories, has advocated the inclusion of social clauses protecting workers’ rights in multilateral trade agreements, this has been opposed by many unions in the Global South (Hensman, 2001: 427–8), on the grounds that it would lead to the exclusion of South goods and services. Such an example illustrates the continuation of historical divisions carrying the ineradicable imprint of colonialism. The achievement of international solidarity, then, demands scrutiny of conflicting interests that fragment cross-national action. Contrary to any assumption that the interests of labour can be articulated coherently at a global level, these chapters replicate (in some cases explicitly) several of the divisions within organized labour at local, national, supranational and global levels.

Despite its potential significance, global unionism also has evident limitations as a response to global capitalism. As Herod (2001) has observed, while labour may at times need to organize in ways that mirror transnational capital’s global organization, at other points local mobilization may be considerably more effective. Broader alliances, though, may be important in this regard: through alliances, unions can constitute more than an interest group, contributing to mobilization on a range of issues (see Frege *et al.*, 2004: 140–1). Further, the limited financial and organizational resources held by unions can be combined in coalition with those of other union and community groups, often on a cross-border basis, to achieve common goals.

**RESPONDING TO FLEXIBILIZATION: PROSPECTS FOR ORGANIZATION AND REGULATION**

The Asia-Pacific region, given its growing economic prominence, will be pivotal to future cross-border alliances. Yet there is a relative dearth of literature on Asia-Pacific employment within the context of globalization – the focus for the collection edited by Lee and Eyraud. Going beyond
macro-level statements on labour markets, the book examines the impact of labour market flexibilization on specific groups of workers, classified according to several characteristics, including employment status (for example, temporary or self-employed), wages, and working conditions. The book contains eight chapters on individual countries, organized according to four distinct waves of globalization: Australia and Japan (two of the region’s earliest developed economies); the Republic of Korea (as an ‘East Asia Tiger’ economy); Indonesia, the Philippines and Thailand (as ‘South Tigers’); and finally, China and Vietnam (the countries most recently integrated into the global economy). These chapters are accompanied by an editorial introduction, plus two substantial cross-country analyses, on workers’ rights and labour law respectively. Overall, the book contests claims that poor working conditions are a prerequisite for greater international competitiveness.

Several Asia-Pacific countries have been hailed by neoliberal commentators as exemplars of flexibilization. The proliferation of temporary, part-time, casual and contract employment, reduced protection for permanent workers has, though, led to the legislated minimum wage becoming increasingly important and consequently politicized, leading to governmental reluctance to raise minimum wage levels. As Lee and Eyraud indicate (p. 24), such governmental concerns highlight the inadequate reach of collective bargaining and wages policies. The informalization and casualization of employment, under the familiar banner of flexibility, has produced an equally familiar polarization of both pay and working conditions. Lee and Eyraud contend that, since globalization increases workers’ vulnerability, greater employment regulation and stronger institutions, rather than further flexibilization, are required (p. 40). The consequences of deregulated labour markets merit far greater debate, to which the book seeks to contribute.

David Kucera, in his comprehensive assessment of the evidence for an Asia-Pacific ‘race to the bottom’, identifies declining union density as a fundamental concern. In the wealthiest countries – Australia, Japan, New Zealand and Singapore – density is only around 20 per cent of wage and salary earners, while some countries have extremely low levels: Indonesia, Bangladesh, India and Pakistan are all below three per cent (pp. 50–4). Kucera finds that stronger trade union rights (Freedom of Association and Collective Bargaining) and democracy encourage, rather than impede, stronger export performance: the experiences of some East Asian countries, with weak union rights and democracy but strong export performance, are anomalous, given the export failure of many countries with similarly weak union rights and democracy. He argues that, while stronger union rights and democracy will increase labour costs, they also enhance socioeconomic stability and therefore export competitiveness (pp. 78–9). The relationship between labour standards and economic competitiveness,
Complementing Kucera’s chapter is Deirdre McCann’s discussion of labour law and rights other than Freedom of Association and Collective Bargaining – encompassing the minimum wage, overtime entitlements, working hours, health and safety, maternity provisions, disciplinary procedures and access to flexible working hours (pp. 83–4). She expresses the concern that rights to decent working conditions have often been relegated to a secondary status in countries’ responses to globalization, with priority being given to the ‘core’ rights of Freedom of Association and Collective Bargaining and the prevention of forced labour, child labour and discrimination. This creates the danger that these ‘core’ rights may become seen as the primary focus of labour law, rather than as absolute minimum standards (pp. 84–6). McCann argues for the reassertion of ‘labour rights as human rights’ to protect worker rights, while current approaches to labour law can assist in linking worker rights to economic goals (pp. 89–91). Given low (and often minimal) levels of unionization, then, there is a pressing need for legislated individual worker rights and their effective enforcement.

In the first of the book’s chapters on specific countries, Iain Campbell charts Australia’s transition from its system of centralized regulation of wages and working conditions to a decentralized, deregulated working environment characterized by growing inequality, workforce segmentation and job insecurity (p. 115). From 1996 to 2007, the Federal Liberal–National government under John Howard had legislated to reduce the influence of unions and collective bargaining, while extending its own control over industrial relations through a reduction of the powers held by the Australian states. There is little doubt that the balance has shifted, as elsewhere in the region, towards greater flexibility for employers (pp. 144–8). Campbell acknowledges that Australia’s industrial relations system required modernization, but he argues that the form this took produced few of the promised productivity gains, while the overall outcomes have been complex and contradictory, indicating the need for further reform (p. 152). As indicated earlier in this essay, the change of government to the Australian Labor Party in November 2007 means that such reform will not follow the same anti-union path.

Japan, though, provides an at least partial exception to the overall regional pattern of employer-driven flexibilization of employment conditions. Katsuyuki Kubo evaluates the economic and regulatory effects of globalization on Japan’s organization of work, in comparison to deregulated ‘Anglo-Saxon’ employment systems (pp. 153–62). Traditional employment relationships have been steadily weakened by firm reorganization, mostly following mergers and acquisitions, while performance management has contributed to a considerable reduction of employee
numbers, predominantly among older workers. Yet there has been no dra-
matic transformation of the long-term employment system with respect
to ‘regular’ workers, as the impact has been confined mainly to those in
‘non-regular’ (including part-time, temporary and agency) employment
(pp. 183–5). Japan’s distinctive forms of work organization have remained
relatively resilient, although flexibilization has had a predictably uneven
impact on the most vulnerable workers, again highlighting the need for a
strengthening of legislated worker rights.

The Republic of Korea has proved less resistant to these pressures.
As Byung-Hee Lee and Bum-Sang Yoo illustrate, Korea achieved steady
economic growth, low unemployment and diminishing income inequality
until the 1997 financial crisis, but the risks of globalization have
since become apparent. Deregulation has led to extensive flexibilization
and segmentation of the Korean labour market, and, despite legislative
changes, disadvantaged and non-standard workers have experienced min-
imal improvements in their working hours (pp. 187–231). Lee and Yoo
advocate the pursuit of coordinated flexibility and protected mobility, to
achieve a better balance of flexibility and security, through constructive
industrial relations, a more comprehensive social safety net and coher-
ent labour market policies. Yet the political resources required to achieve
these goals would seem limited – a persistent problem in several of these
countries.

The 1997 financial crisis had a dramatic impact on the economic de-
velopment of Indonesia, too, halting several years of rapid economic
growth and precipitating an extended period of declining economic per-
formance. Diah Widarti’s chapter assesses Indonesia’s subsequent labour
market changes in response to globalization, focusing on the minimum
wage, termination payments, contract work and outsourcing (pp. 244–45).
Conditions have steadily worsened, with growing unemployment and
underemployment, while regular jobs have declined as the ranks of self-
employed and casual workers have swollen. The minimum wage remains
below subsistence level, and the labour inspectorate has insufficient re-
sources to ensure observance of labour laws (pp. 254–78). Thus there
emerges a familiar picture of deregulated labour markets with inadequate
protection for workers, particularly those in the lowest-paid, least secure
employment, and intensifying threats to the security of those in regular
employment.

A similar situation prevails in the Philippines, where chronic unem-
ployment and underemployment have been accompanied by growth in
short-term and informal employment at the expense of jobs in the formal
sector. According to Jorge V. Sibal, Maragtas S.V. Amante and Ma Catalina
Tolentino, pressures for global competitiveness and greater productivity
have led to the reorganization of workplaces, technology and the labour
process. As in Indonesia, a lack of government inspectors has hampered
Thailand, though, provides a somewhat different story, detailed by Sununta Siengthai. Also severely affected by the 1997 financial crisis, Thailand has recovered economically in the following decade. Still, similar labour market changes have occurred, including extensive downsizing, restructuring and outsourcing. Here, too, full-time, regular employees are a declining section of the workforce, with many informal workers lacking access to basic benefits such as workers’ compensation. Siengthai proposes that informal workers should be brought into the formal labour system, with greater use of tripartite institutions to manage employment conditions (pp. 341–2). Yet, given that extensive flexibilization and segmentation have already occurred, private sector union membership remains below five per cent, and labour rights are regularly violated (Crispin, 2009; Maquila Solidarity Network, 2008), the political momentum required to realize these changes seems a distant prospect.

The region’s main economic powerhouse is, of course, China. Lan Chen and Bao-qin Hou illustrate how China’s dynamism of the past 20 years has featured two concurrent but very different labour force reforms: flexibilization, concentrated in the public sector, particularly in state-owned enterprises (SOEs), many of which have been privatized; and standardization of employment conditions in the private sector. SOEs have eliminated their lifelong employment systems, introducing labour contracts, more flexible wages, and considerably less job security, particularly for low-skilled workers. (pp. 347–349). The expansion of the private sector has ended the SOEs’ monopoly of urban employment, and huge numbers of rural workers have entered the urban labour markets from which they were previously excluded. Therefore, the former urban/rural and public/private divide has been supplanted by a new division based on position, status and skill. The effectiveness of government labour market regulation (pp. 378–9) in accommodating these massive changes will be particularly crucial for rural migrants in the private sector, who have been disproportionately affected by the recent slowdown in China’s economic growth (China Daily News, 10 March 2009), as unemployment has risen.

Finally, Vietnam’s market-driven transition from a planned economy began in 1986 with its Doi Moi reforms, leading to greater integration within the global economy and economic growth averaging 7.8 per cent between 2001 and 2006. Vinh Dao Quang illustrates the major challenges facing enforcement of employment standards, and segmentation between core and peripheral workers has become entrenched (pp. 279–306). Union membership remains confined to only five per cent of the overall workforce, while unions have had little influence on the Arroyo government (pp. 308–9). Therefore, neither unionism nor labour law has occupied a significant role in regulating working conditions for the great majority of workers in the Philippines.
Vietnam in developing appropriate employment regulation, labour policies, training and education systems, including the establishment of a Labour Code in 1994 (pp. 383–5). The large number of self-employed and informal workers, though, lack the protection provided by labour laws and compulsory social insurance schemes, with internal migrants facing particular difficulties. Cheap labour no longer provides a competitive advantage for Vietnam, and greater integration into the global economy has brought a polarization of wealth and incomes, which social service provision and labour legislation has been unable to regulate (pp. 410–1). As elsewhere, the most vulnerable workers continue to be severely disadvantaged, their vulnerability intensifying in the present international recession, underscoring the limitations of existing social protection and regulation. In this regard, the different national trajectories from the 1997 financial crisis may warrant particular current attention.

The issues faced by unions and workers, most notably the consequences of flexibilization, are remarkably similar not only across the Asia-Pacific region but across all the countries discussed in these three books. For example, the greatest improvements in pay and conditions for marginal US workers have come from public policy, rather than through union activity (Fine, 2005: 156). With the shrinkage of unionism and collective bargaining coverage to a small minority of workers, so labour’s capacities to organize and regulate have diminished. Although the construction of effective cross-border alliances may reinvigorate these capacities to some extent, the legislated minimum wage and individual workers rights have become of heightened importance, especially for the growing ranks of the low-paid and informal workforce.

Compelling arguments exist, then, for a universal minimum code of working conditions, as a necessary protection against the ‘race to the bottom’. While this may be a more than daunting political task, the effectiveness of some interventions by the EU, which has increasingly provided a proto-federal industrial relations framework, may indicate possibilities for future cross-national regulation. There are alternatives to neoliberalism and the ‘race to the bottom’, while there are sufficient strategic resources presented in these volumes to encourage a belief that these alternatives can be given greater practical substance.

NOTES ON CONTRIBUTOR

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