Building trade union alliances

A UNI EUROPA strategy to strengthen transnational workers' representation in multinational companies
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Jeremy Waddington is Professor of Industrial Relations at the University of Manchester and the Project Coordinator for the European Trade Union Institute, Brussels.
Within UNI Europa trade union alliances are viewed as a means whereby European works councils can be strengthened and trade union objectives advanced within MNCs. This position has been endorsed at successive UNI Europa Regional conferences.

As part of the research project (VS/2014/0359) no fewer than twenty trade union alliance meetings were convened in MNCs based in all the sectors represented by UNI Europa. The project was financed by the European Commission.

Delegates who attended meetings within the framework of the project supported the principle of establishing trade union alliances in MNCs organised by UNI Europa.

Most of the meetings were primarily information sharing sessions. The challenge is to ensure that information sharing develops into policy making and/or negotiation. Leadership within the trade union alliance is essential to make this transformation.

Delegates identified a wide range of objectives as appropriate for trade union alliances. Most of these objectives were ‘external facing’ and required the trade union alliance to be proactive. Among the objectives identified by delegates were: develop and implement a trade union policy appropriate for the MNC; improve trade union organisation in the MNC; strengthen collective bargaining with a view to improve terms and conditions of employment within the MNC; increase trade union membership in the MNC; and improve articulation between the different industrial relations institutions within the MNC.

Where trade union alliances had been established prior to the start of the research project, delegates commented positively on the benefits of agreeing a set of statutes (constitution) for the trade union alliance to cover issues such as its composition, a steering committee, objectives and the frequency of meetings.

The financial implications of trade union alliances were a matter of concern. The underlying principle is that trade union alliances should be self-funding. It is thus essential that trade union alliances demonstrate their worth to those they represent.

Delegates recognised the importance of continuity of attendance and regularity of meetings if trust and confidence among the delegates was to be established and maintained. Similarly, rather than participation in an annual meeting, regular and on-going communication between delegates was viewed as critical to the development of trade union alliances.

To facilitate the development of the policy on trade union alliances it would be useful to identify some ‘easy wins’ to demonstrate what they can achieve, how they can function and the benefits that may accrue to trade unionists in MNCs.

Essential to achieving many of the objectives of trade union alliances is the establishment of a communication channel between the trade union alliance and management.
UNI Europa has endorsed a policy to establish trade union alliances within multinational companies (MNCs) in which trade unions affiliated to UNI Europa have an interest. This policy was confirmed by both the UNI Europa Executive and at successive UNI Europa Regional congresses. Each trade union alliance is to comprise trade unionists from UNI Europa affiliated unions. This report reviews the findings from a European Commission funded research project (VS/2014/0359) designed to identify the challenges and potential benefits that may arise in the implementation of trade union alliances. To these ends the report comprises three sections. The first section identifies how trade union alliances are intended to ‘fit’ within UNI Europa and traces the development of policy within UNI Europa. The second section outlines the findings from the research report and highlights points raised by the Steering Group of the project. The third section raises some policy questions that UNI Europa may wish to consider as it develops the trade union alliance policy.

**UNI EUROPA and trade union alliances**

Within some sectors of UNI Europa trade union alliances have been established in key MNCs. Relatively early trade union alliances, for example, were established in some companies such as Auchan, Barclays, Hewlett Packard, Inditex, Manpower, Société Générale and UniCredit. Other sectors of UNI Europa, however, did not implement the initiative on a wide-ranging basis. In recognition of the progress that had been made and of some of the challenges that arose in establishing trade union alliances UNI Europa successfully applied for research funding from the European Commission to assess the current state of play and examine how the policy initiative on trade union alliances might be furthered. The project embraced both those MNCs within which trade union alliances had been established and those in which UNI Europa wished to establish such alliances.

**Objectives of the project ‘Building Trade Union Alliances: A UNI Europa Strategy to Strengthen Transnational Workers’ Representation in Multinational Companies’**

A total of nineteen trade union alliance meetings were convened as part of the project. The MNCs in which these meetings were convened are listed in the Appendix. It is acknowledged within UNI Europa that trade union alliances will serve a range of functions dependent upon the situation of trade unionists within the MNC. In general terms, however, activities in four broad areas were envisaged for trade union alliances within UNI Europa.

First, it was acknowledged that managers of MNCs are reorganising operations around Europe-wide management structures, policies and practices, including European performance payment systems. In order to bring a trade union influence to bear on these and similar developments it is necessary to establish institutions through which a countervailing power to management may be deployed. Formally, as information and consultation bodies, which may comprise non-unionists, EWCs are insufficient as a means to exert a countervailing power to management and deliver a trade union agenda, hence the requirement to establish trade union alliances. It is also acknowledged that trade
union alliances may assist in the coordination of activities to establish a special negotiating body and/or a European works council in companies where management resists initiatives to this effect from worker representatives. At Manpower, for example, the trade union alliance is involved in negotiations to establish a special negotiating body.

Second, it is apparent that there are managerial policies that are similar, if not uniform, across the range of MNCs operating within the sectors covered by UNI Europa. Such developments require a coordinated trade union response if unionists are to influence the impact of these managerial policies on the workforces of MNCs. Similarly, throughout much of Central and Eastern Europe collective bargaining and other industrial relations institutions are at rudimentary stages of development and require coordinated trade union activity at sector level if they are to be advanced beyond the current rudimentary stage of development. Trade union alliances are envisaged as institutions through which trade union coordinated activity can be organised to these objectives.

Third, trade union membership is declining in most European countries with the consequence that trade union density is at its lowest level in Europe since 1950. While the decline in membership is problematic throughout Europe, it has particularly damaging effects in Central and Eastern Europe where many industrial relations institutions are also absent. Trade union alliances are a means whereby trade union organising campaigns may be coordinated within MNCs.

Fourth, there is a wide range of industrial relations institutions and procedures that are found either within MNCs or on which representatives from MNCs participate. Included among such institutions are European works councils, transnational company agreements, sectoral social dialogue and global trade union alliances. Articulation between these institutions is essential if trade union objectives are to be realised, but is often rudimentary and in need of improvement. Trade union alliances are a means whereby articulation can be improved between existing industrial relations institutions and procedures thus facilitating the pursuit of trade union objectives.

The point here is twofold. The objectives of trade union alliances are strategic and transnational. To achieve these objectives requires coordination and, in most cases, a degree of compromise. Furthermore, these objectives require an awareness or sensitivity on behalf of the trade unionists involved towards activities undertaken outside of their own country: that is, trade unionists with positions on a trade union alliance need to be ‘external facing’ and proactive.

Similarly to the objectives identified for trade union alliances, there was no single ‘fixed’ position regarding their composition, apart from statements that all members of the trade union alliance should be trade unionists with interests in the MNC. In practice, five categories of trade unionist were envisaged as populating most trade union alliances:

• relevant trade union officials based in the countries where the MNC has operations;
• unionised European works council representatives;
• European works council coordinator;
• trade unionists involved in negotiations at company level; and
• unionised board-level employee representatives.

How trade unionists from these different categories are combined within each trade union alliance would depend on circumstances within the MNC. It is essential, however, to ensure that the trade union alliance and the European works council work closely with one another rather than in parallel and that articulation between the two institutions should not rely on a single person but involve regular networking between members of the two institutions.
Findings of the project

The findings of the research project are presented in two parts. The first part comprises nine observations arising from the trade union alliance meetings. The second part identifies the features of ‘best practice’ arising from the meetings of trade union alliances that have taken place to date.

Observations from Trade Union Alliance Meetings

Observation of the trade union alliance meetings yielded nine common and inter-related points.

1. The first and, probably, the most important observation from the meetings, was that delegates supported the concept of trade union alliances. While there was some debate about the purpose and practical application of a trade union alliance, no delegate rejected the idea in principle.

2. A second observation concerned the purpose of trade union alliances. Expressed in terms of a question, the issue was: are trade union alliances information sharing bodies, policy-making bodies and/or negotiating bodies? Information sharing was certainly the principal function undertaken by the trade union alliances that participated in the research project. This is understandable in the case of trade union alliances that were meeting for the first time under the auspices of the research project. Those trade union alliances that had met before also spent significant amounts of time in information sharing. This observation leads to a second question: if trade union alliances are to become policy-making and/or negotiation bodies how is the transformation from information sharing to be achieved?

3. A third observation to arise from the trade union alliance meetings concerns the character of the information sharing that took place. When information sharing delegates concentrated on the company and its activities in their own country: they were largely inward looking. This is entirely understandable. It is much more comfortable for delegates to speak on matters on which they are knowledgeable and have more information at their disposal than other delegates. The author has attended a trade union alliance that has met on nine separate occasions. The first three or four of these meetings were very similar to the meetings that took place within the project with inward looking contributions from delegates that focussed on the structure of the company, the performance of the company within different countries (employment levels, profitability, etc.), and national variations in terms and conditions of employment. What was important during these initial exchanges was that delegates developed a confidence in one another, assisted by the regular attendance of the same people at the meetings; and came to recognise that the challenges they faced within their own country were very similar to those faced by delegates from other countries. In combination these points slowly led to the emergence of a collective awareness and solidarity, which underpinned the development of policies and strategies that were external facing. Three implications arise from this observation:
   • Once a trade union alliance is in place it should meet regularly and attention should be directed to ensuring that the same people attend, wherever possible.
   • Leadership is important in encouraging the shift from an inward looking approach to one that is external facing. The role of a select committee may be important in providing leadership.
   • It may require several meetings of the trade union alliance before delegates move from an inward looking perspective to one that is external facing. A single meeting is insufficient for delegates to establish trust, confidence or a rapport that will facilitate development of the institution.

4. A fourth observation concerns attendance at the trade union alliance meetings. Trade union officials and, particularly, unionised European works council representatives comprised the majority of delegates as anticipated. The attendance of unionised board-level employee representatives was very rare. Given that board-level employee representatives have a strategic role within MNCs, their absence could be problematic in the medium-term as trade union alliances develop strategic purpose. At almost all of the trade union alliance meetings it was acknowledged that some people were missing, due to diary clashes and the like rather than a stated or principled opposition to trade union alliances. While such absences were inevitable, they were problematic when the principal trade union from the home country of the MNC was not represented.
5. Delegates identified a wide-ranging set of objectives as appropriate for trade union alliances. In several cases most, if not all, of the objectives listed below were mentioned at single trade union alliance meetings. The principal objectives that were mentioned included:

- develop and implement a trade union policy appropriate for the MNC;
- improve the capacity of trade union organisation in the company;
- ensure that collective bargaining is strengthened with a view to improve terms and conditions of employment within the MNC;
- develop a coordinated approach to trade union activities within the MNC;
- increase trade union membership within the MNC;
- improve articulation between European works councils, sectors, social dialogue and transnational company agreements;
- and develop a list of transnational trade union demands.

These objectives are primarily external facing, yet the focus of discussion during most of the trade union alliance meetings was inward looking. There was very little discussion as to how to achieve the objectives that were identified. The absence of such discussion raises questions of how should the objectives be prioritised and achieved; what is the role of leadership within the trade union alliance; and what are the resources available to the trade union alliance?

This point can be illustrated by reference to organising, an objective raised at most trade union alliance meetings. To move towards a transnational organising campaign in an MNC where a trade union alliance is present it would be necessary to:

- train organisers in the unions represented on the trade union alliance or make such organisers available by other means;
- map the MNC for the purposes of organising;
- co-opt organisers onto the trade union alliance (bearing in mind that most UNI Europa Policy Officers are not organisers);
- make available the resources necessary for organising campaign (leaflets, flyers, etc.).

The point here is that each objective identified by the trade union alliance requires extensive pre-planning and leadership. Furthermore, the expertise required to achieve a stated objective may not be available among the members of the trade union alliance. Approaches involving these techniques have been successfully deployed at Multi-Packaging Solutions and Smurfit Kappa in Poland. Within both companies membership levels were improved and trade union organisation consolidated.

6. A sixth observation concerns the statutes (or constitution) of trade union alliances. Where a trade union alliance had been in operation prior to the research project, delegates reported advantages arising from the adoption of statutes that govern the operation of the trade union alliance. UniCredit is a case in point. The UniCredit statutes have formalised arrangements concerning the operation of the trade union alliance and facilitated the identification of objectives for the trade union alliance. Where statutes had been adopted they covered the:

- composition of the trade union alliance;
- composition, duties and term of office of the steering committee;
- frequency of meetings;
- objectives; and
- election of officers and steering committee members.

In particular, the steering committee was expected to undertake leadership and convening functions to encourage continuity and direction within the trade union alliance. In this context, a policy question for UNI Europa is: should a model set of statutes be prepared?

7. Which trade unions can participate in a trade union alliance convened by UNI Europa? Clearly unions affiliated to UNI Europa with interests in the company should be invited. Similarly, where UNI Europa shares coordination of an EWC with other European Trade Union Federations trade unions affiliated to such European Trade Union Federations should be invited to participate. It is also assumed the yellow unions (company unions) are excluded from participation in a trade union alliance. In one of the trade union alliance meetings a trade union deemed representative within the home country of the MNC represented the largest number of members within the MNC, but was affiliated to neither a European Trade Union Federation nor the European Trade Union Confederation. In this case the trade union affiliated to EuroCadres. The policy question thus arises: should trade unions in these circumstances be invited to participate at trade union alliance meetings?
8. When should mapping and targeting take place? Within the context of the research project, MNCs within which trade union alliances were to be set up were targeted by UNI personnel within the respective sectors and then mapping of the MNC was undertaken along the lines mentioned above: that is, targeting preceded mapping. In these circumstances mapping focused on the MNC, the location of its operations and the issues of concern identified by the delegates who attended the trade union alliance meeting and answered the questionnaire. The limitation of this approach is that political factors relevant to the trade union alliance tended to appear only after the MNC had been selected. The reluctance of the largest trade union in the home country of the MNC to participate in the trade union alliance meeting only appeared after targeting had taken place. Similarly, the point raised at (1) immediately above only became apparent when the trade union alliance met. Two policy questions thus arise: should mapping take place before targeting and include a political element, and should mapping be part of the process whereby an MNC is selected as appropriate for a trade union alliance? Such an approach may facilitate the identification of ‘easier wins’, which would further the development of the trade union alliance strategy in the shorter term.

9. What are the financial implications of trade union alliances? At several meetings delegates raised the issue of the financing of trade union alliances. The intention within UNI Europa is that affiliated trade unions meet the costs of the trade union alliance meeting, thus ensuring that the trade union alliance is self-funding. Delegates from Central and Eastern Europe, Portugal and Greece argued that this would be a problem as a wide-ranging financial commitment was required. To minimise the on-costs of trade union alliances it was suggested that meetings take place immediately before or immediately after EWC meetings or in conjunction with Sectoral Social Dialogue meeting. What is clear, however, is that the demonstration of worth is not necessarily a short process suggesting that medium-term financial commitments are required from affiliated trade unions. Furthermore, the costs of trade union alliances need to be justified in terms of their actions, their worth to members and their added value.
Best practice

Ensure continuity of attendance among delegates and regular meetings of the trade union alliance. Meetings of the trade union alliance can usefully be organised in countries where the trade union alliance intends to be active to highlight the organisation;

Try to identify early ‘easy wins’ in order to make the trade union alliance meaningful for the trade unionists that it represents;

Ensure that the trade union(s) from the home country of the MNC are present at the trade union alliance;

Agree a set of statutes for the trade union alliance, which amongst other things allow for the establishment of a select committee;

Set up the trade union alliance to communicate regularly and network. Avoid the meeting of the trade union alliance becoming an annual communication forum for delegates;

Make sufficient time available to prepare to meet the objectives set by the trade union alliance;

Where objectives are set by the trade union alliance that require skills not available among the delegates co-opt people with the appropriate skills (this is particularly the case with organising);

Develop a communication channel to allow discussion and/or negotiation with management. At Hewlett Packard, for example, a Digital Communication Platform has been established whereby trade union alliance members can communicate regularly. In addition, although less private, Microsoft Outlook, Dropbox and Skype can be used to share information.
Ten policy questions

The UNI Europa policy on trade union alliances is relatively recent and is in process of development. In the light of the successes and challenges identified in the implementation of the policy ten key policy questions arise for further consideration. Answers to these policy questions are the prerogative of UNI Europa and will facilitate the further implementation of the policy on trade union alliances.

1. How can trade union alliances be developed into communication networks within which discussion on continuous and on-going, rather than annual meetings with little exchange between meetings? How should trade union alliances communicate with the trade unionists they represent?

2. When should mapping take place: as part of the targeting process or after the targeting of the MNC as the location for a trade union alliance?

3. What financial arrangements can be put into place to facilitate attendance from all delegates?

4. What are the appropriate relations between trade union alliances that operate in conjunction with EWCs and global alliances?

5. What guidance can be offered to encourage delegates at trade union alliance meetings to think strategically about developments outside of their own country and thus become more ‘external facing’?

6. To be successful a trade union alliance strategy needs to be relevant to all trade unionists and to secure some ‘easy wins’ to gather momentum. How can these objectives be best achieved?

7. Almost all the trade union alliance meetings that took place during the research project identified organising as a key objective. What arrangements need to be in place before transnationally coordinated organising campaigns can be initiated?

8. Should a trade union alliance have statutes and, if so, what should be their content? Should UNI Europa generate a model set of statutes?

9. The majority of objectives identified by delegates of trade union alliances require relations with management ranging from discussion to negotiation. What arrangements are appropriate for the establishment of these arrangements and how can they be put into place?

10. The raison d’être of a trade union alliance is to work alongside EWCs with the intention of furthering trade union objectives within the MNC. In these circumstances what is the appropriate relationship between trade union alliance and EWC?
The project concluded with a conference in Brussels attended by 120 participants, each of who was associated with a trade union alliance. Although it was acknowledged that the strategy to establish trade union alliances was in an early stage of development, the range of benefits already secured within the strategy was wide-ranging. In particular, delegates reported that existing trade union alliances had been instrumental in assisting the establishment of European works councils, in injecting a trade union agenda into European works council meetings, in promoting organising campaigns (particularly in Eastern Europe) and in extending the coverage of collective bargaining. Delegates were enthusiastic about developing more trade union alliances within UNI Europa and considered a wide range of additional purposes that trade union alliances might serve in moving towards transnational trade union strategies.
Within the auspices of the project trade union alliance meetings were convened at the following companies.

Kinepolis, 30 April 2015: Brussels, Belgium

Sofidel, 7 May 2015: Pisa, Italy

UniCredit, 23 June 2015: Palermo, Italy

Teleperformance, 4 September 2015: Brussels, Belgium

Prosegur, 17/18 September 2015: Madrid, Spain

DS Smith, 1 October 2015: Mainz, Germany

Hewlett Packard, 5/6 October 2015: Brussels, Belgium

ISS, 19/20 October 2015: Brussels, Belgium

Manpower, 12 November 2015: London: United Kingdom

Société Générale, 18 November 2015: Brussels, Belgium

Credit Agricole, 10 December 2015: Paris, France

Smurfit Kappa, 13/14 December 2015: Warsaw, Poland

Lidl, 20 January 2016: Brussels, Belgium

Barclays, 26 January 2016: Brussels, Belgium

Multipackaging Solutions, 18/19 February 2016: Brussels, Belgium

Vodafone, 18/19 February 2016: Dublin, Ireland

Inditex, 23 February 2016: Madrid, Spain

Liberty Global, 19 April 2016: London, United Kingdom

Orpea, 3 May 2016: Brussels, Belgium

Prisa, 16 June 2016: Madrid, Spain

Primark, 16/17 June 2015: Dublin, Ireland