

## **Globalization: Its Affects on Unions and Their Response**

Through the duration of this academic term, the history and progression of labor unions has been covered extensively. Emerging from the industrial revolution in England and migrating to America and elsewhere, labor unions and their ideals continue to influence industry and play a significant role in the lives of workers the world over. Unions, over the centuries, have endured and survived the numerous obstacles to their cause including governmental legislation, violent military responses, and constant resentment from business moguls. As the world journeys farther into the twenty-first century, there will undoubtedly be more challenges and more struggles. For now though, it seems that unions and labor in general have a new force to deal with and adapt to. This notable force, this wave of worldwide transformation has been termed globalization. As a graduating college student, I have come to appreciate the significance of this word and what it means as I venture into the business environment. Globalization can be thought of as the development of an increasingly integrated global economy marked especially by free trade, free flow of capital, and the tapping of cheaper foreign labor markets. The real question within the scope of this course then becomes: how is globalization affecting unions domestic and abroad, and how are these unions adapting to survive?

The merging of companies is nothing new and has been a common practice for decades. Globalization, however, has effectively increased the reach of mergers. Two companies from separate continents can now engage in agreements and bargaining that looks profitable on paper, but brings with it inherent issues. There have been instances where company mergers have led to the consolidation of businesses having conflicting union status. Take for example, the case in Sylacauga Alabama in 2000. A merger negotiated in Europe in 1999 pushed two plants located across the street from each other, one unionized and the other not, into the same corporation, a leading international producer of industrial materials named Imerys. This resulted in the unionized workers becoming a minority in the merged workforce and thus losing their recognition within the

new corporation. The union fought back and eventually regained recognition through a secret ballot election conducted by the National Labor Relations Board. This case highlights the nature of unions and how they typically function on a geographically limited basis to remain near constituents. To adapt to globalization in this respect, unions must strengthen their internal networks while reaching beyond those ranks to gain support and cooperation from non-governmental organizations, intergovernmental agencies, and multinational corporations (Senser). The United Steelworkers union exercised this approach when they entered into merger negotiations with two of Britain's largest unions. This union merger would represent both the first transatlantic and multinational trade union. It would allow them to share research, discuss common bargaining strategies and support one another during strikes (Meyerson).

As labor unions try to branch out and globalize their own organizations, they have been met with many degrees of resistance in various parts of the world. This resistance has come from foreign governments, corporations, and even political factions. Much of this hostility is fueled by union efforts to fund human rights operations and educate laborers on their rights in these developing parts of the world. Their global campaigns to protect employee's retirement benefits and raise worker standards of living, conflict with financiers, who view workers' financial security as a dispensable commodity (Meyerson). It is important to be reminded that there are still over one and a half billion people in the Indian sub-continent, China and Indonesia who survive on less than a dollar a day (Camdessus). These statistics present a large opportunity for improvement and an extensive mission for unions who have had great difficulty in establishing workers' rights to organize in many Asian countries. Unions cannot survive without active and loyal membership. To gain membership and support abroad, they need to secure footholds in developing countries and remain persistent in the face of opposition while reaching out to workers who are being exploited for foreign investment profit.

Globalization has also contributed to an overall loss of the influence, power, and members that unions in America once held. At one time, industries could do little without first getting the support of the local unions. Now, businesses can bargain and

scout for labor elsewhere with little recourse or opposition. The development of a global job market, the appearance of 1.2 billion new workers, and the readiness of millions more to work at any cost has robbed the job brokers of their once-powerful position. With the disappearance of industry, they lost their energy. Only eight percent of employees in the private sector now belong to a union: Since the high point in the mid-1940s, the membership rate has dropped by more than seventy-five percent (Steingart).

Fourth, but certainly not least, globalization has unlocked an even larger presence of wage undercutting in nations with high standards of living. As the world market for labor opened up and became more readily available at a profit, workers in developed nations realized that the cheaper labor of other nations would become a threat to their own standard of living. They would now have to compete with citizens of developing nations that would do the same work for much less. This wage competition was, in a large part, assisted by technology. Cheaper labor no longer needs to be imported or immigrated. The internet and a general improvement in worldwide connectivity have brought employers closer to cost effective employment. The predominant fear with this global labor market is its direct threat to less skilled workers in developed countries. Their jobs are more easily filled and more susceptible to undercutting. Higher skilled, more technological jobs still have some security, but that safe haven is shrinking as developing nations increase their skilled labor force through training and receive foreign investment. In this global environment, trade unions have a role to play to help workers re-train, ensure that social entitlements are fulfilled, and are maintained at an adequate level, and that pensions are transferable (Camdessus).

Despite, what seems like an insurmountable wall of opposition and change, the unions of the world have devised certain strategies that should keep them firmly inline with the needs, rights, and ambitions of workers everywhere. First, unions must create efficient communication channels at all levels. This involves increasing the amount of information that flows among workers in the organization. Another component of this strategy is to build trust overseas by offering concrete services to workers and unions in other countries (Costello). This helps to overcome suspicions and solidify relationships between the unions and their allies abroad. The second strategy is creating global

networks and alliances before any large labor related conflicts and disputes commence. This involves developing “intelligence” about countries, unions, and industries around the globe to spot new trends and construct new strategies (Costello). It may also be beneficial to utilize immigrant members. Their representation and understating of a growing workforce segment is invaluable. Connecting both locally and globally is the third union strategy in dealing with globalization.

Today even local unions must confront global corporations either at the collective bargaining table or in organizing campaigns as multi-national corporations extend their reach in the economy. Unions should develop a set of practices and protocols at all levels to build global perspectives and global action into local campaigns. This should include creating task forces of workers specializing in bringing international pressure to bear in local campaigns through direct contact with unions and workers in other countries (Costello).

In addition, workers should be educated and made aware of globalization and its affects on them. They need to know how they can help and what is at stake. The final step involves taking an offensive stance on global public policy issues. Unions need to take proactive approaches that are designed to make international communication and cooperation part of the daily practice of the labor movement at local, national, and international levels. They also need to seize the opportunity to take the lead in defining solutions to outsourcing, contingent work, privatization, and other public policy issues. Together, this short list of strategies gives direction to unions that continue to struggle in many parts of the world. Completing these goals will not be easy or quick, but it does show initiative and proves that there are those among the ranks that are utilizing their education and influence to set operations in the right direction.

Times are very different for unions and it is certain that their survival depends on their willingness to change. For them, globalization should not be seen as either good or bad. It should be more a question of how it can be used to their advantage. I believe that the once prevalent strength of unions and the incredible improvements they made in

American worker rights were not flukes. Globalization just made the playing field bigger. Persistence, dedication, and all the other attributes that defined great union leaders are the keys to spreading the union mentality. It is true that the days of the old unions are no more. The world will just have to wait and be patient as the next labor revolution takes hold and the rights of all laborers across the world are recognized and established.

## References

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