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### Author

Blake, David H

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# Corporate structure and international unionism

By David H. Blake

*Condensed from Columbia Journal of World Business*

AN INCREASING NUMBER of corporations are effectively coordinating their resources to take advantage of the differing cost structures, skill levels, labor relations, political climate, and market potential that are found throughout the world. While trade unions have not kept up with the increasingly internationalized and integrated world economic structure, a few unions and international trade secretariats have taken some steps designed to confront the world corporations with a stronger negotiating stance on behalf of local labor forces.

The United Auto Workers has recently developed a computer guide to collective bargaining and national

social security in the Latin American automobile industry. In his introduction to the guide, Victor Reuther expresses hope "that each union use this guide to discover its strengths and weaknesses and to analyze which areas of collective bargaining are most critical to move towards the international harmonization of wages and working conditions in this industry." International trade secretariats are also urging their affiliates to conduct basic research for information to be used for coordination of bargaining with many large multinational and international companies.

A second activity is evolving that might be termed international con-

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sultation. This cooperation involves everything from world-wide meetings on a specific multinational enterprise to small meetings between representatives of two unions. Other bilateral activities are more concerned with technical assistance and foreign aid than with coordination and integration. For example, the UAW is helping to consolidate competing automobile unions in Japan, and has aided Mexican unions to become more effectively organized against multinational firms.

Cooperation is also taking place in the coordination of objectives and tactics with respect to international firms. In addition to small financial contributions from one union to its counterpart in another nation during a strike, some unions have refused overtime work assigned to their subsidiary when it resulted from a strike at a subsidiary in a different country. The International Metalworkers' Federation is attempting to create simultaneous contract termination dates for all unions associated with a specific multinational enterprise, thus preventing such firms from using foreign subsidiaries to break strikes in a particular country.

Another union tactic is to lobby for international, regional, or national controls on the multinational corporations. The support by American unions of the economic protectionist bill introduced by Sen. Vance Hartke as a way to protect their workers' jobs is a current example. Such tactics evolve when threats from

multinational corporations are severe enough to cause unions to turn to nationalistic strategies rather than international cooperation.

### *Subsidiary characteristics*

Patterns of international cooperation among unions are developing largely in response to specific characteristics of the corporations with which they are associated.

The location of corporate decision making about wages, collective bargaining, and other major industrial relations is important because where responsibility for such questions resides with the local subsidiary, the need for international cooperation is minimal. The perspective of the corporate decision makers is also important; the more this perspective becomes foreign and international, the more unions will seek forms of cooperation to confront the decision makers. The ease with which substitute products, processes, or functions can be found should a particular subsidiary be closed down is a third factor.

Where a corporation exhibits a worldwide perspective to management and production problems, the international trade union secretariats may well be able to foster cooperative union efforts against the particular corporation. These activities may eventually seek common working conditions, equal wages, influence over the allocation and nature of production, and coordinated negotiations. The objective will be to mini-

mize any advantage that might be gained by the corporation from competition among workers of various countries. The International Metalworkers' Federation, the International Federation of Chemical and General Workers' Unions, and the International Union of Food and Allied Workers' Associations have taken some bold steps along this line.

But within the same industry, a corporation organized in a highly decentralized and fragmented fashion probably will not present the same opportunity to the secretariats. Activities in such cases probably will involve little more than the collection of information and the organization of technical assistance. Similar tendencies may be observed among secretariats that are associated with independent and fragmented industries. When an international secretariat is concerned with a highly internationalized industry with integrated member firms, it is more likely to establish extensive cooperative union efforts.

#### *Other factors*

Other crucial factors are the type of union organization and the trade union system, existing industrial re-

lations practices, the role of unions in the larger economic, political, and social systems, differing value and cultural systems, ideological and foreign policy differences, and the characteristics of the state.

For example, industry-wide bargaining inhibits international cooperation among unions. Similarly, the degree of hostility or friendship between two states or between rival union movements would also have consequences for the potential of international collaboration. All these variables and more must be accounted for in any well-developed model of international cooperation by unions.

The emergence of multinational corporations has presented new and difficult challenges to unions. While it is difficult to predict exactly how trade unions will develop their tactics to deal with the challenge, it seems clear that multinational corporations can expect that future union tactics will be patterned after the way they do business. •

THE AUTHOR: *David H. Blake is a member of the faculties of the Graduate School of Business and the Department of Political Science at the University of Pittsburgh.*