# GLOBALIZATION, GLOBAL LABOR MOVEMENT and TRANSNATIONAL SOLIDARITY CAMPAIGNS.

A Comparative Analysis of Three Solidarity Campaigns in Turkey

by

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#### **ABSTRACT**

## GLOBALIZATION, GLOBAL LABOR MOVEMENT and TRANSNATIONAL SOLIDARITY CAMPAIGNS. A COMPARATIVE ANALYSIS OF THREE SOLIDARITY CAMPAIGNS IN TURKEY

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Forces of globalization challenge labor rights in multiple dimensions. These policies are implemented at the expense of increasing inequalities and unemployment, curtailing labor rights, and enhancing the risks of financial crises. Aiming to diminish the impact of neoliberal policies, global unions conduct campaigns endorsed by pro-labor civil society organizations to force transnational corporations (TNCs) to respect core labor rights. Some of these campaigns succeed in strengthening transnational solidarity among local and global unions, and facilitate the persuasion of the TNCs to sign Agreements. Global labor movement also pursues to democratize globalization relatively via lobbying and campaigning at the level of international organizations. All these efforts serve for a renewal of the global labor movement in an environment where it has been weakened by the globalization process. This thesis examines some of the recent processes where local labor movement is empowered, acting in collaboration with the global labor movement. This collaboration, in turn, provides a fertile ground for adopting new strategies to challenge the TNCs which tend to curtail labor rights.

This thesis focuses on three distinct transnational solidarity campaigns conducted to support organizing efforts of Turkish workers in supply chains of the TNCs, namely UPS Turkey campaign (2010-2011) in transportation sector, DESA campaign (2008-2009) in textile sector and Novamed Campaign (2005-2006) in chemical sector. These cases are interesting not only because of their common success in attaining the unions' basic demands, but also because of their varying outcomes in the context of post-campaigning processes. The variation is placed between local union's losing its rights to bargain and the local union's signing a collective agreement. This thesis argues that these campaigns might overcome legal barriers and anti-union attitudes of employers by combining local struggles with transnational solidarity campaigns. It, then, explores the dynamics of these campaigns, comparing them with respect to their strategies and capacities in multiple fronts.

#### ÖZET

# KÜRESELLEŞME, KÜRESEL EMEK HAREKETİ ve ULUSÖTESİ DAYANIŞMA KAMPANYALARI. TÜRKİYE'DEN ÜÇ DAYANIŞMA KAMPANYASININ KARŞILAŞTIRMALI ANALİZİ

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Anahtar Kelimeler: Küreselleşme, Emek Hareketi, Dayanışma Kampanyaları

Küreselleşme emeğin haklarını çok çeşitli boyutlarda tehdit etmektedir. Bu politikalar işsizliğin ve eşitsizliğin artması pahasına, işçi haklarını arka plana iterek ve finansal kriz riskini göze alarak uygulanmaktadır. Neo-liberal politikaların etkilerini aza indirme amacıyla küresel işçi sendikaları emekten yana sivil toplum örgütleriyle beraber kampanyalar düzenleyerek Ulusötesi Şirketleri temel işçi haklarına saygı göstermeye zorlamaktadır. Bu kampanyaların bir kısmı yerel ve küresel sendikalar asında ulus ötesi dayanışmayı geliştirerek başarı kazanabilmekte ve Ulusötesi Şirketleri anlaşma imzalamaya ikna edebilmektedir. Küresel Emek Hareketi uluslararası örgütler nezdinde lobi ve kampanyalarla küreselleşmeyi demokratikleşmek için de çaba göstermektedir. Tüm bu çabalar küreselleşme sürecinde zayıflayan küresel emek hareketinin yeniden gelişimine hizmet etme amacıyladır. Bu tez yakın dönemde yerel emek hareketinin küresel işçi hareketiyle işbirliği içinde gelişme göstermesini ele almaktadır. Bu işbirliği, emek haklarını yok sayan Ulusötesi Şirketlere karşı çıkmak için yeni stratejileri uygulamak için koşulları olgunlaştırmaktadır.

Bu tezde Türkiye'de işçilerin Ulusötesi Şirketlerin tedarik zincirlerinde örgütlenme çalışmalarını desteklemek için örgütlenen üç ulusötesi dayanışma kampanyası incelenmektedir. Bunlar taşımacılık sektöründe UPS Türkiye Kampanyası (2010-2011), tekstil sektöründe DESA Kampanyası (2008-2009) ve kimya sektöründe Novamed Kampanyasıdır. (2005-2006) Bu kampanyalar temel taleplerine ulaşmalarına karşın kampanya sonrası dönemde değişen sonuçlardan ötürü farklılıklar göstermektedir. Bu farklılıklar yerel sendikanın toplusözleşme hakkını yitirmesinden toplusözleşme imzalamasına kadar değişim göstermektedir. Bu tez, yerel mücadele ile ulusötesi dayanışma kampanyasının birleşmesi halinde yasal engelleri ve işverenlerin sendika karşıtlığını aşabileceğini savunmaktadır. Ayrıca kampanyaların stratejilerini ve kapasitelerini ele alarak dinamiklerini çeşitli açılardan incelemektedir.

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#### **ABBREVIATIONS**

ALU: Asian Labor Update

CCC: Clean Clothes Campaign

CoC: Code of Conduct

CSR: Corporate Social Responsibility

EMCEF: European Mine, Chemical, Energy Workers Federation

ETF: European Transport Workers Federation

ETUC: European Trade Union Confederation

ETUF:TCL: European Trade Union Federation: Textile, Clothing, Leather

EU: European Union

EWC: European Works Council

FDI: Foreign Direct Investment

GATT: General Agreement on Trade and Tariffs

GUF: Global Union Federation

IBT: International Brotherhood of Teamsters

ICEM: International Chemical, Energy Mine Workers Federation

ICFTU: International Confederation of Free Trade Unions

IGBCE: Industriegewerkschaft Bergbau, Chemie, Energie

IFA: International Framework Agreement

ILO: International Labor Organization

IMF: International Monetary Fund

IMF: International Metal Workers Federation

ITF: International Transport Workers Federation

ITGLWF: International Textile, Garment, Leather Workers Federation

ITUC: International Trade Union Confederation

IUF: The International Union of Food, Agricultural, Hotel, Restaurant,

Catering, Tobacco and Allied Workers' Associations

NCP: National Contact Point

NGO: Non Governmental Organization

OECD: Organization of Economic Cooperation and Development

TNC: Transnational Corporations

TÜMTİS: Türkiye Motorlu Taşıma İşçileri Sendikası

WB: World Bank

WCL: World Confederation of Labor

WTO: World Trade Organization

WWC: World Works Council

WFTU: World Federation of Trade Unions

## **Chapter 1. Introduction**

Growing strength of transnational corporations (TNCs) in the global economy has changed the power balance between labor and capital which was established in the postwar era. Such balance was maintained through a compromise between state, capital and labor at the national level in the context of varying shades of welfare state paradigm which prevailed in core advanced capitalist countries. This paradigm began to change in the late 1970s following the economic crises and continuous fall of profits of the capital. In that critical juncture, neo-liberal policies were introduced in many countries, thus breaking the previous compromise. These policies created new opportunities for monopolistic TNCs to spread capital to all parts of the globe through removing national barriers from the front of the transnational capital. In this process of neoliberal transitions, international financial organizations such as the International Monetary Fund (IMF) and the World Bank have played major roles in guiding the world economy; the role of the state in economy has been re-positioned; while the organized labor's strength and privileged position in advanced capitalist states has been challenged by direct--and mostly suppressive—control and interference of the state. This process, which simultaneously has taken place in most parts of the world, often disregarding democratic procedures, has bolstered the forces of globalization, and often referred to as globalization per se.

The role of the TNCs in the global economy, implementation of neo-liberal policies, collapse of socialism in the Eastern Block, the increasing integration of former socialist countries into the global capitalist system and decrease in the strength of the organized labor have raised questions regarding the future of the capital-labor relations. For developing countries, the TNCs with monopolistic power in their respective sectors became the main sources of employment, technology and capital via foreign direct investment (FDI) through leading and maintaining large chains of production in many parts of the world. Together with the suppliers of the TNCs, an overwhelming portion of production has been concentrated and controlled by the TNCs, a process facilitated by the developments in information, communication and transportation technologies. In this context, states have transformed their roles in the national economies after having been pressured by the forces of globalization to remove barriers and embrace the TNCs

by creating favorable conditions. These developments converted to substantial challenges for the labor to organize, bargain and achieve better working and living organizations.

Contradictions between capital and labor have intensified in the context of neoliberal policies. Yet, the power of the organized labor has been curtailed considerably. An outcome of neoliberal turn in policy making is increasing inequalities: Income gap deepens within many countries including the most advanced capitalist economies; and between developed and underdeveloped countries. In 1960, income gap between the 20 % richest and 20 % poorest in the world was 30 to 1. This rose to 60 to 1 in 1990 and around 75 to 1 at the end of the 20th century In the context of neo-liberal globalization, organized forces of labor have been under constant attack and the new international division of labor has operated in favor of capital owners without providing basic rights and liberties to labor. Furthermore, contrary to previously-established national welfare regimes in core capitalist countries and various models of welfare systems in developing countries, the new regime is highly undemocratic in which workers and peoples and even states and elected governments do not have chance to involve to the decision making processes.

The TNCs compete with one another to gain monopolistic power over the global economy while they follow policies for profit maximizing. This process operates against democratic mechanisms and demonstrates a highly authoritarian stance. There is no binding law for these monopolistic TNCs, nor is there an international agency or institution which would potentially regulate the activities of the TNCs. Given such large space to act without constraints, TNCs, at times, threaten people and states to shift production to anywhere that is more likely to bow to their demands. The unfettered act of the TNCs to maximize profit and centralization of the capital often contributes to severe crisis of the capitalist system which, in turn, destroys productive forces of countries, damage lives and well beings of people more severely.

In this thesis, I argue that, despite such hegemonic existence of the TNCs, there are still certain ways to challenge their hegemony and highly un-democratic behavior

<sup>&</sup>lt;sup>1</sup> International Confederation of Free Trade Unions (ICFTU), 2012, p. 18

particularly about labor rights. I assert that despite its curtailed power, the labor movement, to a certain extent, can still confront globalized monopolistic capital, constituting a counter-force to that of the capital in the context of neoliberal globalization. There are various methods, policies and organizational bases for the labor movement to unite and target specific TNCs with building coalitions with all victims and opponents of the system. Transnational solidarity campaigns are one of the most important tools used by the organized labor to overcome barriers to organize and achieve basic demands from the TNCs and their supply chains. Global labor movement and union networks formed within TNCs and their suppliers also demonstrate strength and capacity of international working class movement and new spaces to organize for the revival of the global labor movement.

I examine three individual cases of such instances in Turkey where organized labor succeeded in forcing TNCs and their suppliers to accept labor's demands with respect to maintaining better working and living conditions. These are the UPS-Turkey Campaign in 2010-2011 in Istanbul, DESA campaign in 2008-2009 in Istanbul and Düzce and Novamed campaign in 2006-2006 in Antalya. All three campaigns were able to succeed to be achieve their basic demands as to be recognized and reinstatement of dismissed workers by waging a local struggle, they constantly called for transnational support and applied to international mechanisms such as Corporate Social Responsibilities and Code of Conducts of TNCs, the ILO, the EU or the OECD<sup>2</sup> to conduct with their demands. However, they perceived different reactions from the TNCs, NGOs, and international organizations, ending up with different types of coalitions. The organizational strength of the campaign played a crucial role in post-campaigning processes in which UPS workers could sign collective agreement with employer, while in the case of Novamed, the union lost its authority in signing a second term for collective agreement.

With regard to the methodology, the analysis of these empirical cases is based on primary research including in-depth interviews with key informants and, archival research, as well as a secondary research on respective literature. Apart from academic studies, I actively involve to trade union activities. Between January 2011 and

<sup>&</sup>lt;sup>2</sup> Trade Unions apply to the mechanisms offered by the ILO, the OECD and the EU to complain about TNCs.

December 2012, I worked as international officer of Leather Workers Union (Deri-Is) which is an affiliate of Türk-İş Confederation and since January 2013, I have been working as Director of Organization and International Relations in Textile Workers Union which is an affiliate of DISK (Confederation of Progressive Trade Unions of Turkey). I actively involve unionization efforts of workers and coordinate transnational solidarity campaigns and relations between global unions and local union. As an active trade union officer, my experiences with regard to coordination of transnational corporations and direct links with these trade unions analyzed in this thesis facilitated my access to their meetings and helped me direct observation of cases. This duality as academician and trade union officer provide me opportunities to have deeper analysis of examined cases.

One of the implications of this thesis is to challenge the pessimistic stance in terms of succumbing to the discourse and practice of the sovereignty of monopolistic TNCs and international financial organizations. The undemocratic dynamics of the global economy may function to silence peoples' voices through applying constant pressure towards their organizations but even this pressure could not have an absolute success in regards to silencing the labor completely. Despite the prevalence of such power of the TNCs in the current context of globalization, there is a simultaneously growing trend of struggles and strikes of workers in all parts of the world from China to Europe along with an increasing participation to mass movements and campaigns to challenge globalization and continuous debates to find alternative ways and policies to reconstruct labor movement at the global level.

In all periods of the history of the labor movement, workers could be able to confront to capitalist system's economic policies with different means. Therefore the organized labor's strength in Keynesian period was not a gift or philanthropy of capitalist system but on the contrary, it was an outcome of the labor's purposeful struggles. In the context of expanding forces of globalization at the international level accompanied by neoliberal policymaking at the national level, the rules of the game, policies and power relations changed and labor movement began to transform based on these changes. Steps toward the reconstruction of the global labor movement includes organizing at the global level, targeting monopolistic TNCs and its supply chains, maintaining solidarity,

quitting nationally focused policy making and combining forces with other pro-labor civil society groups such as the consumer, student and feminist movements.

In this thesis, I will firstly discuss the role and future of the global labor movement in globalization period. Despite the dominant political and ideological debates hailing the neo-liberal paradigm that gives no room for organized labor to represent itself in the economical and political spheres as a significant force, there is a burgeoning discussion on the revival of the global labor movement based on internationalism and solidarity. The novelty of this new labor movement is its diversified nature including various civil society organizations (CSOs) as the anti-globalization movement brings together CSOs and labor organizations. Hence, there is a growing tendency to challenge globalization, TNCs and their negative effects over society and environment. TNCs and international financial organizations defended neo-liberal policies to encounter economic crisis of 1970s and decrease in the profit rates, Reagan and Thatcher were symbols of this period that denounced welfare state regimes and aimed to break strength of the organized labor. In developing countries, mostly through authoritarian ways, even via coup d'etats in some of them, these policies were implemented. This process was accelerated with the collapse of the Eastern Blok and the USSR and integration of China and Vietnam to the international capitalist system. All these development let monopolistic TNCs to spread in all parts of the world and enjoyed the newly entered billions of workforce and intensification of the competition among underdeveloped countries to attract FDI. Defeat of socialism and weakening of the organized labor in capitalist countries created an atmosphere that undermines the importance of the labor movement in global politics and economics. However as could be seen from the previous periods in the history of capitalism, labor movement would be able to confront TNCs by finding new methods of organizing. Merging processes and re-organization of global trade unions, new alliances to confront TNCs and their supply chains, new forms of cross-border solidarity campaigns are some instances on the way of reconstruction of the labor movement. (Kurtoğlu and Fougner, 2010)

In the second chapter of the thesis, I will elaborate the relations between global unions, European trade unions, local unions and civil society movements. I will focus on the coalition building processes to prepare and initiate a campaign. Global unions have a

long history and many different currents and political lines emerged within the global labor movement. However for the first time, with the foundation on ITUC in 2006, the global labor movement could have a united and really global umbrella organization composing all countries of the world. Additionally, previously International Trade Secretariats could be able to transform themselves to Global Union Federations (GUFs) in order to challenge globalization and adopt new conditions. Also many debates are done to learn from the past experiences that undermined solidarity on fair and equal bases and many new strategies and campaigns have been developing to encounter TNCs.

European trade union movement has similar debates to reorganize itself by opposing the pressures coming from states with their austerity measures and TNCs which can deindustrialize the industrial base of the European economy. European labor movement tries to reposition itself to stop losing members and via merging processes, they aim to have more strength and power to overcome problems. European labor movement has unique opportunity resulting from the European integration and could be able to foster regional policies against European TNCs. European labor movement, from one hand unites its forces to influence the European Union's policies as an official partner in policy formulation procedures as a result of social dialogue practices and from the other hand, through European Works Councils, Social Dialogue Committees and International Framework Agreements, European Labor Movement tries to confront and limit TNCs' existing power. European Labor Movement strongly advocates the "social dialogue" policies as a sub-title of the neo-corporatist paradigm but ongoing crisis, austerity measures and decrease in the level of life standards and increase in the precarious working conditions lead to questioning of the social dialogue policy which prioritizes compromise.

Local labor struggles against the TNCs and their suppliers also attract the attention of the various civil society movements which position themselves against the negative consequences of the globalization. Consumer organizations, student organizations, environmentalist, feminists etc. focus on the negative sides of global order and their interest may coincide with demands of the labor movement. Therefore civil society

movements and labor movements are more willingly to collaborate and build coalitions for specific campaigns.

In the third chapter, I will examine the relations between TNCs, their suppliers and their relations with the labor. I will also analyze the role of international organizations and auditing companies in campaigning periods. Corporate social responsibilities of TNCs, their self-declared Code of Conducts would be compared with International Framework Agreements signed with Global Unions. I will discuss the voluntary nature of these documents and promises, and problems emerging from the non binding, "soft" regulations. I will examine the auditing and monitoring processes which were emerged to provide solution to weak side of these commitments and threats and possibilities emerge from the privatization of the labor relations.

In the fourth chapter, I discuss and compare three transnational solidarity campaigns from Turkey and examine policies, organizations and other transnational tools for labor internationalism over the concrete application of these campaigns. In all three cases of this thesis, local union can combine its forces with global union, European trade union and civil society movements and could be able to confront the TNCs and force them to recognize the freedom of association of employees. Coalition building process take time, a considerable effort is given to find a common language between parties, a constant dialogue is formed, movements and peoples from various parts of the earth could meet in common demand, plan/organize/contribute together for improving working conditions of specific group of workers who were victimized by the neo-liberal policies. There are two phases of these struggles. The first phase is to give an end to union busting practices, force corporations to recognize trade unions and reinstate dismissed workers. The second phase is after achieving basic demands to be recognized, to continue unionization activities and overcome legal threshold to sign collective agreement. In this phase, there is no active anti-TNC campaigning, however there is a need for follow up process. In three cases of this study, the first phase could be achieved, but in the second phase, different outcomes occurred. The UPS Campaign as the most successful one, could sign collective agreement. In the DESA case, union could maintain its organizational power in one of three plants but could not overcome

legal threshold. In the Novamed case, trade union could not gain support of the majority and could not renew the agreement for the second term.

Labor movement faced with a huge defeat and renewal would take time and need continuous efforts. Today, the neo-liberal paradigm does not provide any positive commitment and a decent future for people. On the contrary, more frequent and more severe economical and financial crises destroy productive forces very hardly. Inequalities within countries and between developed and developing countries deepen, even in the most advanced capitalist countries, states and TNCs are not willing to provide welfare services and apply austerity measures. Social and environmental problems have been transformed to the global problems which cannot be solved through individual initiatives of each state which directly threaten all human beings.

There is a growing opposition towards these policies. Strikes and various methods of struggles cover all parts of the world. Workers may understand their power in their daily lives when they could succeed achieving their demands to decrease the level of exploitation through long, complicated, grassroots movements coordinated by coalitions build by pro-labor groups. Global labor movement, trade unions, pro-labor political currents, anti-globalization movements are still weak but there is a growing trend to overcome this weakness. More solidarity, more experience, more opportunities would pave the way for organized labor to challenge TNCs and precarious working conditions. Globalization and neo-liberal policies weakneed the global labor movement and deteriorated the working conditions however from the other hand, provided new opportunities for empowerment of labor to overcome weakness and challenge the existing system. These attempts of global labor movement to collaborate in global level would shape the future of capital-labor relations.

## Chapter 2. Globalization and Global Labor Movement

The forces of globalization change the working conditions everywhere in the world, posing serious threats to the labor movement. Transnational Corporations (TNCs) operating in many countries and neo-liberal economic policies promoted by international organizations create similar problems and developments in various countries<sup>3</sup>. Erdoğdu (2006, p.30) suggests that domestic labor movements encounter global threats and need to react against those in collaboration with global actors.

Although globalization is widely considered as a recent phenomenon, it is not any different from how Marx had defined capitalism in the 19th century. Globalized nature of the issues faced by labor in the capitalist system was pointed out by Marx (Marx, 2010) as follows:

"The need of a constantly expanding market for its products chases the bourgeoisie over the entire surface of the globe. It must nestle everywhere, settle everywhere, establishes connections everywhere. The bourgeoisie has through its exploitation of the world market given a cosmopolitan character to production and consumption in every country."

An important component of the recent expansion of globalization has been the growing strength of monopolistic TNCs due to intense accumulation of capital and continuous process of monopolization and financialization of the capitalist economy (Erdoğdu, 2006, p. 39; Arı, 2006, p. 24; Mingi, 2009, p. 103).

<sup>&</sup>lt;sup>3</sup> Globalization may be defined as "an historical period" or as a concept that include ideological and political components. (Erdoğdu, 2006, p. 38) Although neither capitalism nor globalization is new, there are certainly new comers to the game, a process which coincided with the expansion of some forces of globalization. The dissolution of the Eastern Bloc and the USSR initiated a new process as the integration of the Eastern Bloc to the international capitalist system and this accelerated the international reregulation of the economic system which had started in 1970s with a wave of neo-liberal reforms. Together with the entrance of China to capitalist market economy, a new phase of international capitalist system begins and capitalist relations may reach to all parts of the world (Engel, 2011, p. 8-13).

Neo-liberal policies aimed to raise profits by decreasing wages and other social costs. Lean production and new methods to earn contributions of employees for more productivity/profit were introduced and a global hierarchy of production through supply chains has been organized. More profits through technological advancement have been only a part of this strategy. However neo-liberal policies have caused huge financial crises and economic recession. Private and public debts have broken records of histories of national economies. Inequalities have deepened, unemployment rates have increased and national economies have collapsed through structural reforms and shock therapies. State could not provide welfare services as before. This created legitimacy problem and increased the opposition to these policies (Minqi, 2009, p. 105; Engel, 2011, p. 240-264).

In the past, the main form of the internationalization of the economy was the expansion of international trade. In the current phase of capitalism, globalization, trade is accompanied by increasing interdependence of economies, and significant increase in direct investment of TNCs along with massive movement of financial capital. Development in communication and transport technology, deregulation, liberalization and privatization and coordinating role of international financial organizations are other essential components of globalization. International organizations, such as the IMF, the WTO, the WB, the OECD, have also played a central role in the expansion of globalization, they acted as global super-structural bodies of global capitalist system to monitor and regulate. Some of them function to resolve conflicts among leading advanced capitalist countries as the WTO and the OECD and some others function to conduct relations between developed-core countries and developing-semi periphery and periphery countries. As a consequence of these developments, developing countries in semi-periphery and periphery lost their autonomies in national economics (Boratav, 2004, p. 25-26). It is clear that when two economic systems confront, the advanced one would dominate the other. Therefore in today's world, advanced capitalist countries benefit from globalization to dominate world economies. Economies of developing countries may only find a place in production chain of advanced economies in international division of labor (Somel, 2004, p. 73).

One of the major changes which has affected the labor movement has been the neoliberal turn in policy making, that has taken place in many parts of the world since the late 1970s (ICFTU, 2012, p. 9-10). A research in France states that between 1995 and 2001, off-shoring and outsourcing are reasons of job loosing of 13.500 jobs a year. However this does not include potential, non-created jobs (Auer et. al., 2006, p. 1-4). Employment figures of TNCs through their FDIs would provide us a broader picture. From 1988 to 1998, total number of workforce of TNCs doubles in Asia. In China this was 53 % increase per year (Cohen, 2006, p. 19). By globalization not only the national social protection systems have been weakened but also nature of employer also changed as a consequence of mobility of capital, role of TNCs, their suppliers, sub-contractors which altogether threatens collective bargaining relationships. Non-standard (informal) forms of employments have increased, trade union rights have been challenged, employer opposition to trade unions has been raised, unemployment level has increased. Income gap has widened during this term (ICFTU, 2012, p. 18; Ofreneo et. al., 2001, p. 15).

TNCs signify the most advanced and the most sophisticated stage of the internationalization of the concentration of the capital (Foster et al., 2001, p. 91-93). Monopolistic TNCs can reach all parts of the world via their suppliers. TNCs work with hundreds of suppliers from various countries to produce and sell to all parts of the world by aiming to earn maximum profit. Not only the foreign direct investment and foreign trade, but also through outsourcing, sub-contracting agreements, franchise, license etc, a large chain is constructed. Therefore this creates a very dependent system, not only from the supplier side but also from the monopoly capital side too. This reality provides new opportunities for the working class movement to organize through the supply chains of these TNCs. Monopolistic TNCs control and organize global production in worldwide and shapes global economy by the support of the international finance organizations and the states of the home countries of these TNCs<sup>4</sup> (Engel, 2011, p. 22).

<sup>&</sup>lt;sup>4</sup> Base for the growing strength of monopolistic TNCs is the process of concentration and centralization of capital. A major outcome of this is the growing dominance of monopolistic TNCs over local and national industries as well as advanced capitalist economies over underdeveloped economies. Monopolistic TNCs have destroyed traditional and independent local industries, have converted them to their suppliers and have created an internationally integrated production system coordinated and directed by them. Steps taken in telecommunication sector that could enable TNCs to control and guide world-wide supply chains and establishment of lean production system and other forms of flexible working conditions increased labor productivity and caused over-production. Additionally great profits were

While there are more than 65 thousand TNCs in the world however monopolistic TNCs which directly affect world economy are a few hundred corporations<sup>5</sup> (Koç, 2000b, p.7; ICFTU, 2012, p. 8). These TNCs have almost monopolistic power in their sectors throughout the world, act as global corporations, own-coordinate and control global supply chains and strategic perspectives of these corporations have a global character<sup>6</sup>.

These monopolistic TNCs generally control one sector "for a longer and shorter period, to a greater or smaller extent" (Dickhut, 2001, p. 32). There may be alliances or competition among different TNCs to control sector. Monopolistic TNCs may control prices and they may create a large supply chain and many small and medium scale firms would be dependent to these TNCs. It is important to note that these monopolistic TNCs own strong financial institutions/banks. Monopolistic TNCs may sustain its hegemony over market in respective sectors through the export of capital which is FDI<sup>7</sup> (Dickhut, 2001, p. 9-32; Minqi, 2009, p. 27).

earned by financial speculative capital and all these developments became reasons for global economic crisis (Engel, 2011, p. 15).

These TNCs generally maintain monopolistic dominance over world market. For instance, the largest five automotive companies control 60~% of all automotive productions. The 23 largest corporations in electronic sector control 80% of total production (Koç, 2000b, p. 10). Giant corporations which operate in tens of countries demonstrate the fact that production gained a global character. The biggest 100 non-financial corporations of the world had almost one third of all their investment and half of all employment in other countries in 1990 but these increased to over 60~% in 2008 (Foster et al., 2011, p. 96).

<sup>&</sup>lt;sup>5</sup> Monopolistic corporations emerged from capitalism of free competition beginning with 1890s as a consequence of growing accumulation of capital. Accumulation never stops and leads to concentration and centralization of capital. Monopolistic TNCs are products of this ongoing process. Monopoly does not necessarily eliminate competition. There are various intermediate forms between a complete monopoly and complete free competition (Dickhut, 2001, p. 9-32).

<sup>&</sup>lt;sup>6</sup> These monopolistic TNCs may have greater economic performance than many countries. For instance Exxon Mobil's economic strength was equal to Pakistan and Chile in 2000. (Erdoğdu, 2006, p. 369-371) From 1980 to 2000, the German monopoly Bayer increased its production in foreign countries by three times, 80 % of all its sales and 69 % of all production were done out of Germany. In 1980, 31,7 % of all workforce of Siemens was working out of Germany while in 2000, this increased to 59,8 %. These figures were similar for Bosch too. DaimlerChrysler could increase its production abroad from 14,7 % in 1980 to 68,9 % in 2000. (Engel, 2011, p. 31-35) General Motors in 2003, presented in more than 190 countries, manufacturing in 32 countries and have a supply chain of ten thousands of companies in worldwide, employing 340.000 people (ICFTU, 2012, p. 9).

<sup>&</sup>lt;sup>7</sup> Despite the fact that monopolistic TNCs operate in all parts of the world, their central allegiance is to their home countries. Home countries and their economic and political policies and situation directly affect strategies and goals of TNCs and in the course of economic crisis, home countries save "their" TNCs which could fell bankrupt. In 1999, the most powerful 500 TNCs were shared as 185 from the USA, 156 from the EU and 100 from Japan. 70 % of European TNCs were concentrated in Germany,

TNCs transmit capital, knowledge, ideas and value systems to developing countries. But TNCs are profit maximizing corporations, they do not decide investment according to benefits that might occur. Through FDI, production and management may be centralized that could have effects over local firms' intra-industry and inter-industry spillovers; this may develop entrepreneurship in host countries. FDI may pollute natural environment or it may also bring global standards to host countries. One of the main motivations of FDI in developing markets is cheap labor, this may cause more exploitation for workers in some industries as textile sector or it may increase general wages in some other as automotive which is still cheaper than home countries of TNCs but higher than general wages in host countries. Additionally TNCs may benefit from lack of proper labor and environmental legislations however they may introduce "ethical" business practices as "Corporate Social Responsibilities" that may present opportunities for local workforce to unionize and raise their demands (Meyer, 2004, p. 259-261). Therefore TNCs and their foreign direct investments may not bear same and standard results. Local and national situation and class relations would shape conflicts, new challenges and opportunities may emerge for both labor and capital. Focusing on "class struggle" would provide us how these challenges and opportunities would be able to be dealt by labor and capital owners (Birelma, 2007, p. 6).

#### 2.1 On the Role of Labor in Globalization Period

By the last two decades of the 20th century, the present and future role of the labor movement is widely questioned. Strikes and militancy of general labor movement has been diminished, number of trade unions' members has been decreased, poverty and inequalities have been increased, real wages have been lowered, job security has been eliminated etc. These developments assisted to theories that reject the revolutionary and/or reformist political role of the labor movement. Various kinds of globalization theories have been defended; post-industrial society was welcomed however the global crisis of capitalist system, which could be seen more frequently and more destructive as

France and the UK (Erdoğdu, 2006, p.371). This demonstrates the fact that the politico-economical relations of monopolistic TNCs with states are highly integrated.

a consequence of the rapid and "radical" neo-liberal structural changes, once again recalled the role of the labor movement and it struggles in world-wide (Silver, 2009, p. 12; Wills, 1998, p. 112).

Neo-liberal ideology discard analyzing the role of the working class in today's societies and elaborate working class movement as an issue of the past, a historical era. According to this analysis, it is impossible for workers to have an active role in society due to the dynamics of globalization. The role and strength of TNCs and sovereignty of the international-monopoly capitalism do not leave any place for working class to unite and struggle; because there is an emerging global single market where TNCs could act freely and this global single market creates fierce competition among workers from various countries and the threat of the international capitalism to move production to elsewhere and danger of losing jobs at this unsecure environment force workers from different nationalities to bow to demands of the international monopoly capital. Main goal of preserving employment and threat of the international capitalism create such conditions where workers voluntarily accept slavery conditions and abstain from their rights and liberties (Silver, 2009, p. 14; Herod, 1995, p. 343; Birelma, 2007, p. ix). Additionally, the power of nation-states diminished and nation-states could not confront with the threads and demands of international capital. Further, working class movement, in essence, may be an active participant of the politics in national level. Labor movement may only succeed in national level (Cox, 1971, p. 558). However when national politics lose autonomy, labor movement "naturally" lose its most effective weapon.

Another significant issue is about the changes in the organization of the production. General assumption is that the collapse of Fordism had negative impacts over labor by declining power of collective bargaining of trade unions which was challenged by cheap, offshore production. It is argued that traditional Fordist production suggests opportunities for workers to act collectively and reach their demands. However in post-Fordism, production is divided to small units where workers could not unite. Line production, division of production to small scale level through sub-contraction and outsourcing create competition among workers, even if workers could succeed in coming together, capital can shift production to other places or could hire other small

units etc. Flexibility is the key concept of post-Fordism and the aim is to provide differentiated products for the needs of various local markets. Therefore there cant be anyway for workers to act in the political and economic spheres in world politics. However Rutherfold and Gertler (2002, p. 196-197) argued that lean and Just in Time (JIT) production may enhance union's power by providing less direct supervision and giving more emphasis to subjective abilities of workers. There are also researches that prove that the unionized workplaces may provide more favorable conditions for flexible inter-firm relations. It is easier for management to apply innovative methods of such workplace organizations if they decide them together by negotiating with the organized labor<sup>8</sup> (Silver, 2009, p. 16; Erdoğdu, 2006, p. 36).

Capital mobility is one of the key dynamics of neo-liberal economic policy and it is the driving-force of globalization. Capital mobility and international trade theories generally show capital and TNCs as powerful social agents and marginalize the role of labor. Even the "comparative advantage" concept gives a role to labor; this role does not have an active position. However "Work on the geography of FDI allows that certain characteristics of the labor force in different parts of the world may play important roles in influencing corporate investment decisions" (Herod, 1995, p. 344-346). Capital mobility and deliberate policies of the governments to liberalize capital accounts to attract foreign capital have been common dynamics to convince masses as a source of employment as well as technology, expertise and infrastructure. These claims consider capital as a productive force and give an emancipator role to capital for developing countries to develop. However in today's increasingly interconnected world, capital

<sup>&</sup>lt;sup>8</sup> Capitalism does not only apply economic measures; sustaining political, cultural and ideological hegemony is also very crucial. Therefore globalization debates should be questioned from this perspective. Historical developments between beginning of the First World War and end of the Second World War and the system established in postwar period brought a large variety of opportunities for the labor movement. However by the intensification of the Cold War, dissatisfaction of the developments in socialist countries and economic crises of 1970s, working class movement was challenged by governments and international capital to radically change working and living conditions. Therefore beginning with 1970s, neo-liberal economic reforms were introduced including privatization and opening policies to foreign capital, conservative governments began to target labor organizations and an intense ideological campaign was initiated worldwide to destroy power of labor movement. Therefore many of pro-globalization discourses functioned as not expressing the facts but for dividing and weakening workers' movements ideologically "The orthodox globalization thesis thus represents a glint in every capitalist eye, helping to tie workers to their employers at the expense of their international comrades" (Wills, 1998, p 114). Their offer for social dumping to attract capital is not just selling their comrades but also to accept deterioration of working conditions and to work under such conditions which are "flexible" that means without regular working life and organizational strength (Engel, 2001, p. 121; Arı, 2006, p. 24, Engel, 2001, p. 120).

mobility does not necessarily construct industry but on the contrary, it may have destructive effects over national economies and instead of industrialization, it may even have a de-industrialization role as could be seen in crises realized in the late 1990s and at the beginning of the 21<sup>st</sup> century (Johns, 1998, p. 254). Capital mobility may create unemployment in one place and create employment at the other but this would also mean that new class contradictions would emerge in the second place.

Beverly Silver (2009, p. 16-17) suggests that flow of capital may cause decrease in organizational strength of the workers in one place but at the same time this creates and strengthens working class in the new place. Therefore she refuses the claim that the unavoidable competition among workers cause voluntarily acceptance of slavery conditions. Additionally, such shifts in production place are seen in some specific sectors, not in all. Working class is an active participant of the political and economical spheres of life in all parts of the world. Globalization and strength of monopolistic TNCs may diminish the power of organized labor however by the changes in demands and strategies, global labor movement is not only a victim or opponent of the ongoing process but by its interventions, labor movement contributes to the re-production of the globalized economy via its social practice (Erdoğdu, 2006, p. 29).

According to Polanyi, there is a pendulum like nature of labor movement and historical capitalism. This signifies that when capitalism moves on the commoditization of the labor, labor's struggle for protection increases. Therefore in today's world, capital's move on this direction would cause rise on labor movement with demand of more secure and protected working conditions. For Marx, there is a stage like analysis of labor movement and capitalism. According to Marx, capitalism on one hand enlarges the massive poverty and on the other hand increases the strength of proletariat. It is clear that working conditions are worse for the proletariat and especially after the collapse of socialist regimes and decrease in the organizational power of labor in capitalist world, monopoly capitalism seem to be unchallengeable; however the progress of the industry" lead to massive proletarization of large rural societies, create more industrial production in worldwide and urbanization (Silver, 2009, p. 20).

According to dialectical Marxist approach, capitalism that gives birth to proletariat would eventually be challenged by the proletariat. Therefore proletarization of millions of peasants and urbanization would lead to increase in the organizational power of the proletariat. As could be seen the struggles of proletariat in 19<sup>th</sup> and 20<sup>th</sup> centuries, in 21<sup>st</sup> century too, labor movement would find its way to organize, resist and challenge capitalism. Struggles of labor movement have also various characteristics. Some movements could be defined as defensive struggles to protect rights and liberties gained in the "previous period" of welfare state policies such as movement against privatization that was mentioned by Polanyi and some other movements could be defined as emerging movements of new working class that aim to survive from the precarious working conditions that was mentioned by Marx (Silver, 2009, p. 32-36).

#### 2.2. New Internationalism

As could be seen at the beginnings of the 20<sup>th</sup> century, it is possible to foresee construction of new labor internationalism as a response to internationalization of capital from one hand and rising nationalism and chauvinism from the other. 21st century suggests wide range of opportunities in raising international solidarity together with the developments in communication, information and transportation technologies. It is possible to compare the developments of the late 19<sup>th</sup> and early 20<sup>th</sup> century with late 20<sup>th</sup> and early 21<sup>st</sup> century from the perspective of the spread of capital through the world, decrease on labor rights, increase on nationalism and organizational efforts of the working class however today's internationalism has an advantage of a long historical experience. For instance there are serious critiques of way of internationalism of the 20<sup>th</sup> century as bureaucratic, hierarchical and nationally focused and there are alternative approaches to the ongoing efforts of internationalism as more democratic, participative, activist, grass-root internationalism (Wills, 1998, p.119). Sending solidarity letters are not sufficient, workers and pro-labor groups in various countries not only may meet, discuss and share experiences but also may demonstrate, shout, fight and demand together by gathering in certain cities to protest "Summits" or by organizing coordinated action days in various countries. There are also many methods to inform customers and large masses via social media and TV, and publications. In some cases,

as could be seen on the signing of Framework Agreement between Inditex and ITGLWF in 2007, organizational strength of unions of the home countries, as Spanish unions in this instance, may force TNCs to take steps on workers' rights<sup>9</sup>.

Emergence of the Fordism led to the decrease in the power of craftsmen, undermined skilled workers and alienated workers to each other however after a while, workers experienced new methods of struggles and could establish strong and effective unions. Therefore this new period might diminish importance of some industries and impoverish workers movement from one point, but would also lead to the emergence of new working class movement with new types of organization. From the historical approach that trade unions when they first emerged, they were mainly local, craftsmen associations. With the development of the national economy, trade unions who could transform themselves to new national conditions, survived. At this period of capitalism, its global character is prominent; therefore labor movement which could transform itself to new global conditions would survive and represent labor in global level. In today's world, trade unions could benefit from inter-, trans- and supra-national structures. These are "new terrains of struggle" that could create opportunities for trade unions to "shift between local, national and global strategies" (Anner et. al., 2006, p. 9-10; Silver, 2009, p. 18).

Emergence of new working class movement also demonstrates that in all parts of the world, labor movement can find new methods of struggle and defend their demands. These struggles and strike movements together with the anti-globalization movement and increase in the concrete and practical transnational solidarity movements could be found in all continents. Neo-liberal policies and changes in the type of production might decrease importance of some industries however would increase effectiveness of some others too. For instance, new conditions might not provide suitable conditions for textile workers but could empower transportation workers in achieving their demands. Additionally workers have been using their power sourcing from production until today and now they may add the power coming from consumption to their struggles in which

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<sup>&</sup>lt;sup>9</sup> Interview with Kemal Özkan, Assistant General Secretary of IndustriALL Global Union, Copenhagen, 20.06.2012; Interview with Murat Akgün, Inditex CSR Turkey Manager, Istanbul, 02.09.2012

competition among TNCs and their suppliers increases the necessity to save the image of the brand name.

1999 Seattle Protests is one of the first symbols of the new internationalism<sup>10</sup> (Silver, 2009, p. 21). The power of international monopoly capital and institutions such as the IMF, the WB and the WTO and regional organizations such as the EU homogenize the politics and economics of states in the world. Similar problems in different countries and same TNCs operating in tens of countries give aspiration to labor movement to get in touch with each other in international level. Anti-imperialist, anti-capitalist, antiglobalization movements, transnational networks of issue related mass organizations have been flowered in all parts of the world. Consumer organizations, human right organizations, feminist organizations and various movements and organizations established networks with each other in international level and decided to come and act together to defend their common interests. For instance consumer organizations may support textile workers struggles by boycotting companies that violate basic workers rights. Human right organizations might support workers struggles because workers' basic rights are also included to the human right norms. Feminist movement may support female workers protesting their employers and demanding their rights. TNCs operating in different sectors may bring various trade unions acting together or trade unions in different countries may decide to act together to target a specific TNC. Additionally not just for demonstrating solidarity, but also joining forces together against same policy or institution that create problems is understood to be very effective. Sharing experiences, learning from each other and acting together against the IMF, the WTO or neo-liberal measures of governments between workers movement, human rights movement, feminist movement, peasant movement, student movement great synergy and challenge mighty corporations, institutions unchallengeable policies (Engel, 2001, p. 140).

<sup>&</sup>lt;sup>10</sup> Struggle of Liverpool dock workers in 1995 was also one of the first instances of "new", grass-root internationalism of labor movement. The struggle of 500 dock workers that continued for over two years not only signify one of the longest workers' struggle for British labor movement after the defeat of the unions, also workers spread their struggle to international level by using the opportunity of the employer's (Merseyside Docks and Harbour Company-MDHC) international work links and they used communication and transportation opportunities to reach workers of other countries directly without Union's official support and organize actions internationally by grass-root organizations. This struggle is shown as an instance of "'bottom-up' internationalism in which ordinary workers and union members are able to forge connections organically, sensitively, and tactically" (Castree, 2000, p. 273).

Series of crisis in developing countries in 1990s and the IMF's failed policies raised criticism over neo-liberal policies, the IMF faced with "identity crisis" (Bakır and Öniş, 2010, p. 78). Immigrants' riots in Paris in 2005, general strikes in Greece, Spain, Portugal, France and Italy, strikes and mass struggles in China, India, Indonesia, Bangladesh, South Africa, Argentina, Egypt, South Korea in 2011 and 2012 demonstrate global public discontent towards neo-liberal globalizations and its crisis. Yaraşır (2012, p. 3-5) suggests that historically labor movement rises through waves of struggles. The first wave of struggle was between 1830 and 1848 Revolutions; the second was the 1917 October Revolution and following movements in Germany, Hungary, Italy, Austria, Finland and Scotland; the third was the 1968 global movement together with national liberation movements, civil rights movements, student movements and labor movement in France, Italy, Turkey, Greece etc. All these waves resulted with riots, revolutions, mass movements. The current crisis and labor movement might be the initiation of another global wave of labor movement. As Amin (2008, 33) suggests, "Capitalism has reached a stage in its development where its victim is no longer formed exclusively by the proletariat, whose labor it exploits, but by humanity as a whole, whose survival it threatens."

Theories on globalization and creation of a single global market empowered by TNCs and regulated by international organizations such as the IMF, the WTO also produce theories of a single homogeneous global working class. Global industrial proletariat consists of employees of TNCs, their integrated companies and suppliers of TNCs. In 2000, there were 47 million employees in the largest 500 TNCs. With suppliers, this number increases enormously and these form international industrial proletariat that may challenge the power of TNCs (Engel, 2011, p. 80). It would be a sensational claim to talk on a homogeneous global working class, still a small portion of the working class is producing for international trade<sup>11</sup>.

Munck (2003, p 27) stresses that the biggest strength of the monopoly capital to expand its network to all parts of the world is also its weakest side because as capital expands, it becomes weaker because of rising opposition of the various forces of the society.

<sup>&</sup>lt;sup>11</sup> For Munck, it is almost 15 % (Munck, 2003, p. 88)

ICFTU's 16<sup>th</sup> Congress in 1996 stressed that globalization of economy and changes in type of production increased the necessity of solidarity among workers. According to ICEM, in previous period, national unions had applied to global unions when they failed to succeed in national level, however now there is a necessity to organize campaigns via combining national and transnational struggles together from the beginning (Munck, 2003, p. 28-35). This could be seen on the common struggles of UPS workers, DESA workers and Novamed workers' struggles in Turkey that transnational solidarity campaign and struggles in local level coincided with each other and paved way for each other to advance the movement.

There are also alternative globalization theories that give priority to the struggles and solidarity actions of the working people. For instance Munck (2003, p.11-18) defends alternative globalization-democratic globalization to challenge capitalist/neo-liberal globalization and points Seattle Protests as a sign of such trend. Munck advocates that global working conditions are shaped as Brazilian way of working that means rise in informal, insecure working conditions. For him, TNCs are the real bosses of the world economy. Working conditions of the "South" began to expand to the "North", to the developed-capitalist countries. Therefore reaction of labor movement would be to hail protective measures in world-wide. For instance struggles of global union federations to add "social clause" to international agreements and their campaigns against TNCs to accept social clauses are part of such movement. Additionally, the newly founded IndustriALL Global Union in metal, energy, textile and other industrial sectors declared in its Founding Congress in 2012 to defend alternative globalization that gives priority to societal needs of peoples<sup>12</sup>.

All in all, there is a growing trend of labor's organizing at the global level, prioritizing uniting workers of the TNCs worldwide. Transnational solidarity campaigns are widely used by GUFs and civil society movement to target a TNC to take certain steps further to respect labor or environmental issues. There are also debates on global level collective bargaining agreements with TNCs and some Global Union Federations could succeed in convincing some TNCs to sign framework agreements however despite the raising trend on the strength of global union federations, still there are important

<sup>&</sup>lt;sup>12</sup> IndustriALL Founding Congress Documents, June 2012, Copenhagen

differences in working and living conditions of workers of different countries and national legal codes are still effective in signing collective agreements that bind companies on changes in working conditions.

# <u>Chapter 3. The Coalition-Building Process of Global Union-Local Union-Civil</u> Society Organizations to Defend Labor Rights

Transnational solidarity campaigns are the products of coalition building processes among global and local trade unions and issue-based pro-labor civil society organizations. While local unions wage their struggle at the local level, they try to mobilize global and regional unions as well as national unions from other countries, and civil society organizations. This study argues that these campaigns might bring varying outcomes. The essential demand of these campaigns is to be recognized by the employer and give an end to union busting practices. The second phase is to overcome legal threshold to sign collective agreement. It is necessary to emphasize that the power of transnational campaign, its follow up process and coalitions' willingness to work together for a longer period would determine the fate of unions' activities.

In this thesis, I examine three corporate campaigns: DESA, Novamed and UPS, which have been carried out between 2005 and 2011. Corporate campaigns were first developed in the beginning of 1980s in the USA to oppose general anti-union policies of managements. These campaigns aim to influence owners, shareholders and customers of the companies (ICFTU, 2012, p. 109-122). Transnational campaigns need support and active participation of the global and regional unions in order to defend basic labor rights. Amongst the cases I examine, TÜMTİS<sup>13</sup> enjoyed the material and moral support of ITF<sup>14</sup> and ETF<sup>15</sup> for the UPS campaign,; for the DESA campaign, ITGLWF<sup>16</sup> and ETUF: TCL<sup>17</sup> supported Deri-Is<sup>18</sup> and for the Novamed campaign, Petrol-Is<sup>19</sup> worked together with ICEM<sup>20</sup> and EMCEF<sup>21</sup>.

<sup>&</sup>lt;sup>13</sup> TÜMTİS: The Road Transport Workers Union of Turkey

<sup>&</sup>lt;sup>14</sup> ITF: International Transport Workers Federation

<sup>&</sup>lt;sup>15</sup> ETF: European Transport Workers Federation

<sup>&</sup>lt;sup>16</sup> ITGLWF: International Textile, Garment and Leather Workers Federation

<sup>&</sup>lt;sup>17</sup> ETUF:TCL: European Trade Union Federation: Textile, Clothing, Leather

<sup>&</sup>lt;sup>18</sup> Deri-Is: Leather Workers Union of Turkey

<sup>&</sup>lt;sup>19</sup> Petrol İş: Petrolium and Chemical Workers Union

<sup>&</sup>lt;sup>20</sup> ICEM: International Chemical, Energy and Miners Federation

# 3.1 Global Unions: Coordinating, Informing, Mobilizing National Unions

Global federations have roots in the middle of 19<sup>th</sup> century, formed and centered in Western Europe and mostly financed by European affiliates. International labor movement has had various political currents, thus has lacked a united position. Its history has been characterized by divisions, antagonism and internal conflicts. (Bourque and Hennebert, 2011, p.1). It is widely argued that the Cold War period ruined the internationalist spirit of the global labor movement, as ideological splits, imperialist interventions, nationalism became subjective barriers of cross boarder solidarity (Hodkinson, 2001, p. 2). For instance, as a consequence of the Cold War, global labor movement was divided into three confederations in 1949. World Federation of Trade Unions (WFTU) was on the side of the USSR, International Confederation of Free Trade Unions (ICFTU) was on the side of the Western Democracies and World Confederation of Labor had a Christian democratic orientation. After the Cold War, WFTU lost many affiliates and ICFTU and WCL united under the name of ITUC<sup>22</sup> in 2006. Since 2006, global labor movement is united under ITUC in general and under GUFs in various sectors (Sadler, 2000, p. 137; Cox, 1971, p. 561; Koç, 2000c, p. 19; Merz and Eckl, 2007, p. 1).

#### 3.1.1. Global Unions and Different Internationalisms

Internationalism is the main motivation to form global labor movement as an international network of national trade union centres since the mid-19<sup>th</sup> century. This was a response to the international character of capitalism to strengthen national and local struggles of workers. Various kinds of organizations and networks have been formed to coordinate and organize transnational solidarity movements and different theories and ideologies were developed to determine ways and goals of transnational

<sup>&</sup>lt;sup>21</sup> EMCEF: European Mining, Chemical, Energy Workers Federation

<sup>&</sup>lt;sup>22</sup> International Trade Unions Confederation

solidarity. Before passing to the current policies, goals and challenges of today's transnational solidarity, it is necessary to have a general look to important currents within the global labor movement with regard to internationalism.

Marxist internationalism asserts that social movements and historical role of working class to overcome the capitalist system. Internationalism is an objective concept for Marxists that was rooted in the emergence of proletariat. "Marx was also one of the first strategists of working-class internationalism, designed to respond to capitalist globalization. The two major elements governing such internationalism, in his analysis, were the critique of international exploitation and the development of a working-class movement that was both national and international in its organization" (Foster, 2000, p. 21). Basically, spread of capital to all parts of world and dominance of capitalist system create proletariat by its nature anywhere it influences and the goal of profit maximization and exploitation of workers would trigger class conflict between these two classes in all parts of the world (Marx and Engels, 2010, p. 110). Marxism's emphasis is not limited with solidarity of workers, but it is directed to the conquest of the power through revolution and establishment of socialist system. International character of capitalism with its unavoidable and insolvable contradictions would eventually lead to revolt of workers in all parts of the world (Bukharin, 1935, p. 35-40; Engel, 2001, p. 17). For Marxism, trade union struggle is a 'guerilla struggle' between labor and capital dealing with daily confrontations of both classes. Therefore Marxism suggests global labor movement not only to defend labor's rights but also questions capitalism and struggles against wage slavery system (Erdoğdu, 2006, p. 77-86).

Lenin contributes to Marxist internationalism by bringing up the concept of "labor aristocracy". This is done to analyze the differences of internationalism in imperialism. According to this approach, advanced capitalist states could provide welfare benefits to working class in order to overcome radicalism of the labor movement in their countries due to their economic strength based on their colonial/imperialist power. These welfare-material benefits would integrate labor movement to the system and instead of fighting to give an end to 'wage slavery system based on exploitation'; labor movement only focuses on earning better wages and working conditions which means the decrease in level of exploitation. Therefore by this theory, it is possible to explain the reason of

social reformist policies of trade unions of advanced capitalist countries in domestic and international politics instead of "fulfilling their revolutionary roles". "Objectively the *opportunists* are a section of the petty bourgeoisie and of a certain strata of the working class who *have been bribed* out of imperialist super-profits and converted to *watchdogs* of capitalism and *corruptors* of the labor movement." (Lenin, 1964, p. 111)

According to Erdogdu (2006, p. 91), however, this does not necessarily mean a betrayal but these benefits were earned by long and decisive struggles of the labor movement of these countries and but they could not/did not raise struggle to a higher level. Gramscian approach also deepens this theory by demonstrating that economic and social rights would be provided to lower classes if only lower classes accept the political and economic hegemony of the ruling classes. Therefore the capitalist system does not only use coercion but also encourages compromise and acceptance (Carnoy, 2001, p. 253).

"Dependency theory" on internationalism concentrates on the internationalism of the 'periphery' countries and rejects any positive role of imperialist countries. From one point, imperialist/center countries exploit dependent countries economically and politically and from other point, mobilize its unions and other organizations to convince, organize and control peoples' movements of dependent countries. Unions of the center countries perform to evolve militancy of labor movement of dependent countries to a kind of corporatist union. Therefore the unions of "imperialist countries" are collaborators-agents of their states (Ferraro, 1996, p. 3; Erdoğdu, 2006, p. 100-103). However this approach generalizes policies of trade unions of advanced countries and can't explain inner struggles of these unions and their concrete support to labor movement of other countries. Additionally, this theory does not explain various political currents within the labor movement and neglect the people's movement in center countries. "World-System Theory" shares similar view with "dependency theory" on the unequal relation between center and semi-periphery/periphery countries and stresses the negative attitude of the unions based in the "center" countries on their relation with the labor movement of dependent countries but also analyzes the inner contradictions of the center countries and emphasizes that class struggles in these countries may open a space for the existence of a limited international working class solidarity (Elwel, 2006, p. 43; Erdoğdu, 2006, p. 121-123).

## 3.1.2. Conducting with TNCs and Campaigning to Achieve Demands

Former International Trade Secretariats transformed themselves to Global Union Federations in 2002 to challenge newly emerging problems of globalization (Bourque and Hennebert, 2011, p.2; Merz and Eckl, 2007, p. 1). GUFs bring trade unions from various nations together based on industry and sector. GUFs' advantage is to have the most information on their respective industries and could be able to maintain direct relation with TNCs. Unions from different countries may target a specific TNC under the coordination of GUFs. GUFs are responsible for transnational solidarity campaigns. Transnational solidarity campaigns include coordination of protests, sending solidarity messages, informing union members and creating public awareness in other countries about the reason of campaign and mobilizing them. However to coordinate campaigns successfully, it is crucial to secure the continuous flow of information to affiliates. GUFs organize meetings to bring unions together presenting in certain TNCs, exchange experiences, establish formal or informal networks between unions, lobby within governments and international organizations etc. All these activities provide a fertile ground for unions to initiate campaigns when necessary (ICFTU, 2012, p. 82-84).

Many GUFs aim to establish long term negotiations with TNCs. Instead of only intervening in the course of crisis and disputes, forming networks between unions from different countries operating in same TNCs, following policies, strategies and operations of TNCs regularly, negotiating with the management over these policies and strategies would provide a more institutional and systematic way of conducting with TNCs. Therefore, campaigning could be done after the failure of applying formal and peaceful ways to solve disputes. Networks may let GUFs to organize effective and well coordinated cross boarder campaigns with clear demands and goals. Burcu Ayan from IUF<sup>23</sup> stresses the necessity to negotiate with corporations for solving problems and if TNC does not aim to solve problems, transnational solidarity campaigns could be launched. There is a leverage point and if TNC refuses to be convinced to respect basic rights, transnational solidarity campaigns would be a way of applying pressure over

<sup>&</sup>lt;sup>23</sup> Interview with Burcu Ayan, IUF Officer, Geneva, 06.11.2012

corporation. In these solidarity campaigns, local union's attempts to organize actions and create public pressure are crucial to be succeeded.

Unions conduct with violations of labor rights as their daily work however campaigning is a more complicated issue with specific strategy, objectives and planned steps. TNCs have vulnerable points too. One of their weaknesses is the system of global supply chains. When one of the chains stops, other chains might be affected. Thus, strikes or stoppage of workers in one chain might affect the whole supply chains. The more chains get involved in the resistance and solidarity, the stronger workers will be. 24 Campaigns targeting TNCs on their way of conduct with their suppliers and local strikes/picket lines in key locations may harm TNCs and force them to take step further to accept demands of labor (Hodkinson, 2001, p. 9). Campaigns may target governments for the purpose of defending better legal working conditions or may force a certain company to change its anti-union attitude. Discovering "pressure points" of corporations is necessary to change company behaviors. All transnational campaigns do not necessarily be global as a few countries' unions may involve or regional unions may be included (ICFTU, 2012, p. 109). Amongst the cases this study focuses on, the UPS is a global campaign whereas for DESA and Novamed, campaign is done by unions from a few countries.

#### 3.1.3. Globalization and Change of Course for Global Unions

All transnational relations and activities do not necessarily serve to the interests of all labor movement and may not be according to fair and equal bases. Especially during the Cold War, European and American national unions had been blamed severely by unions of developing countries to support the imperialist state policies of their home countries and impose their national agendas to the labor movement of the underdeveloped countries. This type of labor internationalism and concerns of the labor movement of developing countries were not solo skepticism of these unions. For instance from 1950s to 1970s, some trade unions in the USA actively participated their governments' and CIA's policies and operations. This may be in order to weaken anti-imperialist and anti-

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<sup>&</sup>lt;sup>24</sup> Interview with Fahmi Panimbang, Asian Monitor and Research Center, 29.10.2012

capitalist unions in Latin America and Africa or to support military coups and intervene against progressive elected governments or support American firms in the region. The US-based unions' role in promoting Marshall Plan in Western Europe and active role of French and British unions with their formal colonies are seen as a part of the "total diplomacy" which signifies other way to interfere other states' internal affairs in order to promote home country's national interests during the Cold War (Cox, 1971, p. 554; Sadler, 2000, 137).

However there are also arguments that after the Cold War, strong unions in advanced capitalist societies shifted their policies from imperialism and nationalism to giving more priority to solidarity to avoid the similar dangers caused by monopolistic TNCs and neo-liberal policies. (Munck, 2003, p. 128) Johns (1998, p.252) explains reasons of the change of attitude as the experience of workers in the USA that their living standards had been decreased as a result of capital flow and in order to counter the power of capital, transnational solidarity became an important part of the new strategies and policies adopted by the organized labor in the USA.<sup>25</sup>

However similar criticisms are still hailed against the unions of the advanced countries. With their financial resources and high membership levels, these unions may determine directions of global federations. It is argued that even most progressive Western social-reformist unions tend to discriminate trade unions from developed countries with unions from developing countries; see international solidarity as something they represent and other may join; apply different standards of behavior to themselves than to third world unions. (Waterman, 1998, p. 128)

<sup>&</sup>lt;sup>25</sup> Finnish unionist, Matti Koskinen, who actively supports workers' struggles in Turkey, expresses internationalism from the perspective of Finnish unions as follows:

<sup>&</sup>quot;Until the Second World War the labour movement got lot of spiritual strength being part of the international labour movement. After that we somehow turned into ourselves. We became more nationalist and being part of the international labour movement became more pragmatic issue. After Soviet Union regime collapsed we turned once again more European and focusing to EU. Now, on 21st Century and living on Facebook time I think internationalism has turned to be global. That is the first time to us Finns. On 19th Century internationalism was something only for upper class society and now it seems to be more and more every man's issue. The other phenomena is that internationalism is not anymore (only) issue of labour movement when many NGO's like environment ones has been rising gathering people together. These seems to be the most global networks and organs." (Interview with Matti Koskinen, Pro Trade Union, Copenhagen, 20.06.2012)

Global labor movement criticizes neo-liberal market-only policies, however different approaches are defended for an alternative path. Dominant approach is the reformist approach to "civilize globalization" and regulate capitalism through global rules. (Hoffer, 2006, p. 19) Erdoğdu (2006, p. 253) advocates that the "Global Keynesian approach" of the global unions until 1980s converted to liberal reformism during globalization process. Global unions accepted globalization as an unavoidable process, defended free trade but demanded regulation of the world trade and adding a social aspect to this process instead of opposing privatization and neo-liberal reforms.

Global Unions do not reflect a single ideology, policy or interest. They are coalitions of various trade unions which are differentiated by national, ideological or industrial interests. Power structure in global unions is reflected by the relations between the secretariat and GUF's national affiliates from advanced capitalist states which provides financial sources and keeps delegate power. As a result of this financial strength and vote power, Western European and North American unions have dominant position in GUFs. While trade unions from underdeveloped countries with militant orientations generally defend decentralization by giving more priority to local struggles, trade unions from Western European countries with more social-democratic orientation prioritize signing International Framework Agreements, engage in social dialogue with managements, participate in company management processes and aim to export corporatist model to the Southern unions. (Cumbers, et.al, 2008, p. 369-375)

Instead of opposing fundamentally, ITUC and GUFs advocate a reformist approach to strengthen the social aspect of globalization. System needs to be regulated and a social aspect should be added to globalization. Adding social clause to the agreements of the WTO and the IMF, establishing dialogue with these international financial organizations, strengthening role of international organizations such as the ILO and the EU to control, observe and regulate economic affairs, organizing in TNCs and its supply chain and signing effective framework agreements may socialize and humanize the globalization and would be beneficial for labor movement too (Erdoğdu, 2006, p. 66). However in this approach, a fundamental critique of the capitalist system is missing. Even social clauses are respected and monopolistic TNCs accept to obey core labor rights, it may not be possible to overcome inequalities and exploitation within each

country and between advanced capitalist and underdeveloped countries. International division of labor, wages and all other characteristics that differentiate an advanced capitalist country from a dependent underdeveloped country located in periphery or semi-periphery would remain. Additionally main efforts of the home country unions of TNCs to form partnership with management, and participate in their decision-making process should be examined whether these unions perform internationalist solidarity or convert these privileges for their national interests. There are many cases that unions from underdeveloped countries could benefit from support of home country's union and in many other cases, calls for solidarity are not responded. (Anner et. al., 2006, p.15)

End of the Cold War, effects of neo-liberal policies and decrease in social welfare had impact on the change of course for global unions and strong unions of the advanced capitalist countries. Protecting the core labor rights have been in danger for a long time. Therefore it is natural for global unions to focus on saving and defending the core rights (Koc, 2000b, p. 32). This should be the red lines of the unions that abdicating from this position would be a suicide for global union that would be meaningless to survive. Global unions' general policy is to support union rights in developing countries, campaign for unionization in free trade zones and oppose to child labor. However according to Erdoğdu, (2006, p. 263) these policies could be commented as to challenge the capital flow to developing countries and de-industrialization of the developed countries. Main reason for the opposition of the unions of the advanced capitalist states is to protect employment. Also Koc (2000b, p.31) advocates that international solidarity today is not a product of the world view or goodwill of global unions or unions of the advanced capitalist countries, but it is an objective obligation to counter problems emerged by globalization in all parts of the world. However this approach may underestimate the impact of different and opposing currents on the labor movement of the advanced capitalist countries. Mass struggles and strike movements in these countries reflect opposition to the policies followed by their governments and there are many competing trade unions defending various policies and ideologies in most of the advanced capitalist countries. On the other hand, union movements in developing countries (dependent or semi-dependent countries) are not homogenous and they do not necessarily defend basic workers' rights and democracy. Corporatism and antidemocratic measures in most of these countries do not let workers to represent

themselves. Also many unions in undeveloped countries may represent "labor aristocracy" of the working class of their respective countries. So it is possible to find large trade unions in many developing countries defending coup d'etats and military governments even hundreds of union leaders could be arrested and basic rights could be restricted at the same time as could be seen in Türk-Iş in Turkey during the 1980 coup process. While military government banned leftist DİSK for 12 years and Islamist Hak-Is for 1 year, Türk-İş Confederation could continue activities by transforming its policies according to policies of the military government. Therefore focusing on policies of Türk-İş in 1980s would not necessarily represent will of workers (Koç, 2000c, p. 14).

The power structure of global unions has not been changed. There is no radical critique of the capitalist system however economic and political policies and austerity measures, continuous pressure over basic labor rights and creation of almost slavery working conditions motivate global unions to raise solidarity by organizing grass-root action days and attracting public attention to target certain monopolistic TNCs. In the cases that are analyzed in this thesis, support of global unions to their affiliate in a developing country contributed to the success of workers in Turkey. Especially, as could be seen in the material support of the ITF and ETF to TÜMTİS, the finances mostly gained from the "rich unions of rich countries" were transferred to support a workers' struggle.

## **3.1.4.** Challenging Globalization and Raising Transnational Solidarity

Responding the challenges of globalization is the main concern of the global unions. The General Secretary of IUF<sup>26</sup>, Dan Gallin expressed his opinion in 1994 as follows: "There can no longer be any effective trade union policy, even at the national level, that is not global in concept and international in organization." ICEM also declared a global strategy in 1996 and stressed that "action has to be planned on an international basis right from the start." And national and international unions should plan and act together (Wills, 1998, p. 117). Richard Trumka, The President of United Mine Workers of

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<sup>&</sup>lt;sup>26</sup> IUF: International Union of Food and Allied Workers Associations

America, in 1991 expressed his opinion as follows: "If we're going to be able to effectively challenge companies like Shell or Exxon or DuPont and other corporations which operate without regard to national boundaries, we have to redefine solidarity in global" terms. (Herod, 1995, p. 341) Neo-liberal policies and transformation of global economy broke the bases for compromise between capital-labor and state in center countries. This strengthened the approach for campaigning unionism (Fairbrother and Hammer, 2005, p. 421).

According to UNI, TNCs directly employ 5 % of the global workforce, however TNCs are significant by their global production networks, large supply chains and monopolistic control over their respective industry (Fichter, et. al., 2011, p. 74). In 2004, World Commission on the Social Dimension of Globalization stated that there were 65.000 TNC with their 850.000 suppliers in the world (Papadakis, 2008, p 1). Therefore a common and global approach is found necessary by global unions. It is clear for global unions that "national" and "competitive" response to globalization would serve to the interests of TNCs and diminish bargaining power of general labor movement. TNCs would benefit from competition among unions by threatening them to invest in other places. Common struggle of unions may frustrate blackmails of TNCs (Hodkinson, 2001, p. 7).

Global Unions do not solo focus on organizing in corporations and maintain networks and solidarity among their affiliates. They also campaign for general policies to overcome failures of global policies defended by international organizations as the WTO or the IMF. ITUC's and GUFs' policy on globalization is to defend Global Social Justice by integrating social dimension to global governance and regulate TNCs. However ICFTU's campaigns to force international financial institutions to accept social clause caused fewer results. ICFTU could not earn the statute in these institutions as enjoyed in the ILO (Bourque and Hennebert, 2011, p.4-7). Initial attempts to regulate TNCs for the Global Labor Movement started in early 1970s. ICFTU firstly targeted the UN and the ILO to regulate TNCs, but in 1990s, global unions aim to convince the IMF, the WB and the WTO to add social clause to agreements, listen their demands and regulate TNCs. Also by coordinating affiliates from different countries to organize in same TNC and its suppliers, Global Unions campaigned to convince TNCs to sign

agreements with Unions to respect basic labor rights. Also in 1998, ICFTU and GUFs proposed TNCs to draw their code of conduct according to 1998 ILO Tripartite Declaration and demanded from TNCs to impose these obligations to their supply chains (Fairbrother and Hammer, 2005, p. 406-408; Bourque, 2008, p. 31).

Importance of transnational solidarity increases in today's world in which the bargaining power of the organized labor decreased due to neo-liberal policies and change in working relations as flexibility, outsourcing, and usage of migrant labor etc. Aim of the transnational solidarity is to regain bargaining power. There is more opportunity for achieving this goal in the context of the current global economic crisis which raised more critiques and suspicion towards the neo-liberal paradigm (ALU, 2010). In the 20<sup>th</sup> century, struggle in national level had priority, transnational solidarity had a secondary importance. In the post-war period, during the 1950s and 1960s, labor movement integrated to the system by various social contracts in industrialized core countries. However movement of capital beyond national boarders presented objective conditions for labor to organize globally (ALU, 2007).

In order to protect the union power with regard to the relations with TNCs, trade unions need to collaborate across borders. GUFs and their affiliates apply different tactics according to the objective conditions of the respective sector. For instance in textile sector, previously North-South competition between trade unions converted to "South-South" competition to save employment and unionization. Northern textile unions focus on unionizing in less mobile textile-related organizations and they are more willingly to support unions from developing countries through campaigning. In textile sector, consumer campaign and code of conducts gained more importance to solve workers' demands. In metal sector, GUF focuses on European Works Councils and World Works Councils to coordinate its activities and influence employers in which TNCs and their managements pit union representatives against each other for wage cuts (Anner et. al., 2006, p. 7-8).

Hodkinson (2001, p. 8) argues that there may be two prominent ways of transnational solidarity. The first is the "top-down institutional perspective" in which ITUC and GUFs "official labor internationalism" that aim to coordinate their affiliates to influence

corporate activities and the second is the "bottom up global local network perspective of global social movement unionism" which gathers local labor with NGOs to campaign in grassroots level. These two ways do not contradict, but complement each other. As a consequence of the developments in communication, information and transportation sectors, it is also easier for workers from developing countries to show solidarity between each other. "South-south solidarity" or "Inter-Asia solidarity", which brings workers together sharing similar problems emerging from global capitalist division of labor, could be a more concrete and real way of transnational solidarity (ALU, 2007).

# 3.1.5. International Framework Agreements and Their Role in Organizing in TNCs and Supply Chains

International Framework Agreements (IFAs) signify an important step forward for the global labor movement. This is a new mean for global unions to conduct relations with monopolistic TNCs, negotiate/monitor/bargain with them and when necessary campaign against them.

These are the agreements signed between monopolistic TNCs and global union federations (GUF). IFAs mainly concentrate on core labor rights. These are non-binding international agreements and could be called as first signs of global wide binding collective agreements between monopolies and global unions. Global Unions and their affiliates apply pressure over TNCs via organizing, campaigning and negotiating to sign IFAs which would suggest a base for continuous negotiations with TNCs and overcome the shortcomings of Code of Conducts which are one sided voluntary declarations of TNCs (Hammer, 2005, p. 515).

As Stevis argues (2008, p. 7) IFAs reflect corporatist social dialogue, however not only European unions, also key Southern unions in South Africa, South America and some Asian countries, give more importance to this strategy. Unions from different countries have different approaches to IFAs. For countries in which labor relations are conflict oriented, trade unions aim to use IFAs as an "organizing tool". In countries in which

labor relations are more corporatist, trade unions preferred to use it as a tool for continuous dialogue (Müller, et. al., 2008, p. 8).

IFAs may help global unions to intervene to central policy making processes of TNCs and could have right to claim on supply chain (Bourque and Hennebert, 2011, p.10). Most monopolistic TNCs conduct with unions in their home countries and in their facilities located in most of the advanced capitalist countries, however the unionization rate is much lower in developing countries and TNCs tend to fragment the production process in smaller units and prefer to outsource its production by creating a complex supply chain that makes unionization a much more severe problem in developing countries. Therefore IFAs draw up the responsibilities of TNCs over their supply chains (Hammer, 2005, p. 511; Hessler, 2012, p. 1; Riisgaard, 2005, p.709). Unions, which face with oppression and discrimination in any of these supply chain, may use IFAs as stronger base to apply pressure over TNCs and much easily convert the local struggle to a transnational campaign.

The current IFAs are not "bargaining agreements" but they are "rights agreements" By signing IFAs, TNCs commit to obey ILO's basic conventions and inform all supply chain to accept these obligations. As a consequence of IFAs, GUFs and TNCs hold regular meetings, monitor agreements via joint committees and express responsibilities of TNCs over supply chains. By IFAs, TNCs recognize GUFs as legitimate bargaining partners. Recognition of global union federations as representatives of their total workforce for the TNCs is an important development. GUFs' power to organize transnational campaigns, capacity to inform international public and concrete organizational bases of their affiliates in workplaces are resources for GUFs to actively negotiate with TNCs. Minimum standards of IFA are being global agreement, are signed by global federations, referencing to ILO Conventions and bringing requirement for TNCs and their suppliers (Hammer, 2005, p. 512-518).

Global Union Federations (GUFs) pioneered establishment of over 40 World Union Councils to coordinate union actions in different sectors and signed IFAs with many TNCs to contribute to the national collective agreement processes (Bourque, 2008, p. 30-31). ICEM General Secretary Charles Levinson in 1970s predicted that forming

transnational solidarity networks within TNCs would eventually lead to coordination of collective bargaining processes and then signing of binding collective agreements under the leadership of GUFs, however almost four decades after the first formations of solidarity networks and over two decades after the first IFA, still GUFs are far away to create necessary conditions to sign global collective agreements (Bourque, 2008, p. 39).

European labor movements also focus on signing transnational collective bargaining agreement in the EU level where is the most integrated economic zone of the globe. Sector committees, committees on collective bargaining to coordinate negotiations on wages and working hours were established, and still in force (Bourque, 2008, p. 40). European Labor Movement focuses on stable "firm-centered transnational relationships" with TNCs. European Works Councils and World Works Councils are effective tools to apply these policies (Anner et. al., 2006, p.8). Institutionalized European Works Councils play an active role in persuading the TNCs to sign IFAs and actively make reviews and periodic evolutions of implementation of IFAs (Hammer, 2005, p. 512). Since the signing of the first IFA between Danone and IUF in 1988, 76 IFAs have been signed until the end of 2010. 90 % of these IFAs were signed by European TNCs (Agtaş and Sayım, 2012, p. 2). European TNCs tend to sign IFAs as a consequence of the European integration process. As a result of the European Works Council Directive of 1994, TNCs formed EWCs to inform and consult to employees. Additionally the sector-level social dialogue practices made it easier for TNCs to sign IFAs with GUFs (Papadakis, 2008, p 5).

There has been a slowdown in number of signing of agreements after 2007. There are mainly two reasons for such slow-down: The first was the unwillingness of most of other TNCs to sign IFAs and the second was the will of global unions to sign more binding, stronger and comprehensive IFAs by "reviewing their strategies" and "modifying their expectations" (Stevis, 2008, p. 8).

There are some positive outcomes of such agreements. For instance, the World Works Council of Daimler Chrysler and attempts of the International Metal Workers Federation (IMF) on the violation of labor rights in two sub-contractors in Turkey and Costa Rica resulted positively that suppliers accepted to recognize local unions by the

threat of cancelling contracts (Bourque, 2008, p. 39). Riisgaard (2005, p. 707) also explains from her studies on the agreement between Chiquita and Latin American Coordination of Banana Workers Union that "innovative tactics of the regional coordination" of unions by not only conducting with workers also their attempts to control "capital's access to the retail market, consumers, and investors" brought the company to the table and signing of the agreement "show a promising way to defend and advance workers rights within MNEs, creating space for union organizing, collective bargaining, and social dialogue."

There is no wage bargaining process in IFAs. Wage bargaining and binding collective agreements are under responsibilities of national unions. IFAs could be effective tools if there is clear violation of basic workers' rights as dismissal of union members, mobbing and discrimination towards union members or refusal of the right to form union in the workplace in any of supplier of TNCs, so GUFs may pressure over TNCs to obey IFAs but they may not intervene for wage increase.

In the 1980s and 1990s, global unions supported Corporate Codes of Conduct of TNCs. But consequences of CoCs began to be challenged politically by Global Unions, they are not found as sufficient tools and International Framework Agreements were pursued which could clearly recognize trade union and open a new channel of communication between TNCs and Global Unions. International Framework Agreements and Company Code of Conducts may have similar content however these are not equivalent to each other. Company codes of conducts are unilateral declarations whereas companies sign IFAs with a global union, recognizing trade union as a social partner and accept to discuss fundamental issues. CoCs do not have to recognize all basic labor rights however IFAs recognize all. CoCs do not have to extend to suppliers but IFAs generally cover suppliers. In CoCs monitoring is not an obligation and if there is monitoring process, this is also controlled by the management however in IFAs unions involve in implementation and parties agree on the way of monitoring. CoCs do not necessarily develop dialogue between labor and management but in IFAs, parties accept to continue dialogue<sup>27</sup> (ICFTU, 2012, p. 95-98; Fairbrother and Hammer, 2005, p. 410-419).

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<sup>&</sup>lt;sup>27</sup> Finnish trade unionist Matti Koskinen from PRO comments on IFAs as follows:

However there are skeptic arguments on IFAs. Global labor movement focuses building relations in home countries of TNCs together with home country unions via IFAs and could not address roots of problems sourcing from deepening inequalities between core and periphery countries (Bourque and Hennebert, 2011, p.11-12). There are also critiques that as IFAs are mainly European, these are not "emerging form of global social dialogue" but it is "an uneven extension of European dialogue across the globe" (Stevis, 2010, p. 1). "As a 'top down' instrument of regulation, emanating from the headquarters level of TNCs and couched in the language of social dialogue, questions of dissemination, applicability, and implementation beyond the realm of its signatories were increasingly raised" (Fichter, et. al., 2011, p. 75).

The main aim of the IFAs is not only to cover employees of TNCs but also extend its effect over supply chains of TNCs. This aim could coincide with Human Resources policies of TNCs too and does not necessarily contradict with corporate interests. This is in harmony with the general trend of TNCs to standardize their human resources management policies in their global operations and in their relations with their suppliers (Agtaş and Sayım, 2012, p. 1; Fichter, et. al., 2011, p. 77).

It is necessary to note that its getting more difficult in advanced capitalist countries to respect and save basic labor rights, it is much difficult to apply these agreements to developing countries, therefore this may come idealistic and utopian for the unions of developing countries but campaigns done so far prove that under certain conditions, IFAs may be used as an instrument to force a supplier to respect labor rights. Additionally it is important to note the evolution of such promises from one-sided code

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<sup>&</sup>quot;I do believe that IFA is more effective. Firstly as it is an agreement, even a gentleman one. Secondly as it is followed up by the unions who are inside the company. The weak point is that there are really no sanctions or possibility to appeal to upper level. Signing binding agreements is not an easy issue. In IMF (just before the merger of IndustriALL Global Union) it was done some drafts about the procedure for these. I would accept binding agreement for core labour rights like in IFA. But what it is hard to understand that we could make binding agreement for concrete or even financial matters like payment of overtime work. In the European countries the management (at least quite often) have a tradition for recognise the core labour rights and to negotiate with the unions in good will. That is something I haven't often seen for instance with the American companies." (Interview with Matti Koskinen, Copenhagen, 20.06.2012)

of conducts to bilateral framework agreements. Global unions' strategies to develop and evaluate these agreements to a more binding and stronger form would eventually extend strength of global labor movement over monopolistic TNCs (Stevis, 2010, p. 2). One instance to such development is the recent agreement between Spanish Inditex and ITGLWF. The leading textile company, Inditex signed an IFA with ITGLWF in 2007 and in May 4<sup>th</sup>, 2012, parties signed "Protocol for Union Follow Up" that Inditex accepted to recognize local unions as its social partner in countries where Inditex produces via its suppliers. According to this protocol, local union and CSR<sup>28</sup> country manager of Inditex would meet on issues relating with their suppliers, global union and its affiliates could access information on its suppliers and would try to solve problems through collaboration (ICEM web site, 17.11.2012).

#### 3.2. European Labor Movement: Devoted to Social Dialogue

European labor movement and its unions are still the ones which are the strong and powerful in the world despite the fact that the European labor has also been challenged by serious threats and problems. European integration process was supported by European trade unions but they could not have a strong voice in the decision making processes of the EU. So in the course of the crisis, austerity measures and other neoliberal reforms directly affected European working class. Economic and Monetary Union and implementation of economic policies have been in favor of the interests of the capital and undermined the demands of the labor despite the involvement of ETUC<sup>29</sup> as a social partner in the policy formulation committees of the EU. The admission of the East European states also made things more complicated for the economies of the EU. Diminishing role of the welfare state, high levels of unemployment, expansion in the service sector, flow of millions of immigrants, growth of part-time, contracted and temporary works and outsourcing, sub-contracting production etc. made lives more difficult for the labor movement in Europe (Sadler, 2000, p. 138).

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<sup>&</sup>lt;sup>28</sup> Corporate Social Responsibility

<sup>&</sup>lt;sup>29</sup> European Trade Union Confederation

Evidently, the European labor movement is not as strong as in the past (IndustriALL European Trade Union Congress Documents, 2012). Fewer affiliates and more problems force European trade unions to find new methods of struggles. Merging processes of unions in national and European levels, using resources more efficiently, raising solidarity in a more effective way, organizing common action days and common campaigns, actively supporting strikes and struggles of workers from other countries earn more importance for the European trade unions.

ETUC has a unique role in global labor movement. It is the only regional trade union which could negotiate autonomously on behalf of millions of workers with the European Union and creating space in Europe to bargain. However between 60 % and 80 % of revenues of ETUC came from projects funded by European Commission. This dependency may weaken ETUC to bargain effectively (Merz and Eckl, 2007, p. 4).

The mainstream European Labor Movement adopted Keynesian-social democratic approach. This approach is close to the "Rhineland Capitalism" of Germany, Belgium, Austria, and the Netherlands (Nordic countries may be added) which signifies corporatist arrangements of coordinated and regulated capitalist market contrary to the market driven Anglo American type of capitalism. According to the coordinated and regulated form of capitalism; steady profits, long term extension of market and employment stability have priority (Blanke and Hoffman, 2007, p. 7). This type of capitalist policy not only recognizes but also gives a role to trade unions in the system to cooperate in formulating and implementing policies and contributing to the reproduction of capitalism system. Strong trade unions of these countries could also have opportunity to influence and lead policies of European Labor Movement with its power gained through membership levels and financial sources. As a consequence of this mainstream approach, in the course of neo-liberal policies and austerity measures, European Labor Movement stand to defend welfare state form of capitalism. It should also be noted that during the integration process of the European Union, campaigns and policy offers of trade unions and other social movements could succeed in establishment of a level of social and ecological standards for the EU through decisions of European Court of Justice, approved Directives and Charters and various social dialogue instruments (Blanke and Hoffman, 2007, p. 17).

European trade union movement strongly accepts the EU's policy of social dialogue. Social dialogue is, in essence, a "deeply ideological" (Sadler, 2000, p. 148) concept and prerequisites the partnership and equality of labor and capital. According to this approach, instead of fighting and confronting each other, problems and demands of both sides might be solved via negotiations. Improving dialogue with each other will give birth to a new understanding by taking lessons of the history. According to this approach, a "win-win" relation could be established between labor and capital whereas increase in productivity and efficiency would bring more profit for employers and more rights and better living conditions for workers (Numanoğlu, 2007, p. 55).

Corporatism is the driving force of the "social dialogue" policy. Expanding social partnership idea to all Europe is an official policy of the European Union. In corporatism, organized groups, representing majority of their respective section of the society, have a formal role in decision making process (McGallagher et. al., 1995, p. 360). In "Social Dialogue" policy labor is represented by ETUC, capital is represented by BusinessEurope and the EU directly represents itself and three groups decide together on policy formulations.

The policy of social dialogue was defended and developed by the European Commission under the leadership of Jacques Delors who tried to generalize the traditional labor-capital relations and their way of establishing legally binding rules in Sweden, Austria, Germany, the Netherlands and Denmark to all Europe and could earn support of many unions (Trubel et.al. 2000, p. 1200). As Stevis (2008, p. 4) argues, social dialogue refers to institutional arrangements based on historical compromises which are mixtures of compensatory liberalism, social democracy, Christian democracy and managerial statism. Corporatism is a type of "social contract" to maintain stability and harmony in society, and addressing the way of solving cleavages within the society. It suggests an alternative to theory of "class struggle" and pluralism. Catholic social thought and close relations between social democratic parties and trade unions in Europe are the main sources of this policy (Erdoğdu, 2006, p. 366; McGallagher et. al., 1995, p. 363). Corporatism and social dialogue have close links with the welfare state policies that give an essential role to state to maintain a general living standard. It

necessitates combination of welfare state with an efficient capitalist market economy (Lane and Ersson, 2008, p. 248). However by the neo-liberal policies and austerity measures, it is getting more difficult to insist on implementation of such policies during the periods of crisis. Since the 1998 Amsterdam Treaty, the European Union promoted sector level negotiations between capital and labor organizations as a "core element of European Social Model" and a level of European Social Dialogue. Sector Social Dialogue Committees produced joint texts including binding agreements. (Bechter et. al.,2012, p. 2).

Regarding social dialogue, there are important issues which are undermined. Firstly, parties are not equal. Even the EU accepts ETUC and employer organizations as equal partners, economically and politically employers and employees are not equal. It is also necessary to note that European trade unions' one of the most important financial source is the European Union funds and this creates a dependency to the EU. Therefore EU and ETUC are not equal partners. Additionally; the EU, capital and labor are not three independent parties, the EU and its affiliate capitalist states are pro-capital bodies. If policies of the EU are analyzed, it is clearly seen that any small progress on behalf of workers needs long and difficult period but the capital's necessities and demands could be met much more easily.

Social dialogue is practiced via negotiations in sector levels between employer unions and worker unions. These meetings may be productive to understand each other and express demands however without feeling the strength and mobilization of the working class, it may not possible to gain rights and enjoy opportunities for labor. In Turkish cases, despite the high legal thresholds for collective bargaining, struggles of workers in workplace level together with campaigns in national and transnational level, the "social dialogue" concept was used by European and global federations to convince employers to sit on table and accept negotiations with the Union. For instance the protocol signed in DESA, was a consequences of combining struggles and negotiations together and commitment to social dialogue was used to follow up the application of such protocol.

Despite the ongoing social dialogue negotiations, rights of labor have been under constant pressure and many anti-labor laws and measures were accepted in almost all

European countries. Even in the most prosper continent of the earth, in Europe, slavery conditions are imposed to labor which not only the gains of the welfare state but even the use of core labor rights may not be used by millions of workers who are forced to work in temporary, contracted and other "flexible" working types.

### 3.3. Involvement of Issue Related NGOs/Mass Organizations: Activism, Militancy, Public Attention

The empirical evidence as well as the extant literature indicate that support of the various sections of the society contributes to the success of workers' struggles (Munck, 2003, p.45) Human right organizations, student associations, consumer networks, feminist movement and various issue related organizations may coincide with their interests together with workers' demands and if the coalition could be built, activism and militancy of the movement would be raised.

In most of the successful campaigns, public attention could be attracted not only through labor's demands, but with the contribution of various mass movements. Oppression towards workers by security forces or struggles of female workers etc. may first attract other movements to build the coalition and by the motivation of such coalition, labor demands could earn support of the public (Herod, 1995, p. 354). Global decline of the trade union power is a fact however it is also possible to witness the growth in power of issue related mass organizations and NGOs that may overlap with the labor interests and may target monopolistic TNCs to defend social and environmental conditions (Riisgaard, 2005, p. 708).

This coalition-building of labor and non-labor groups to achieve common goals is "community unionism". There are many instances of such unionism in the world. For instance Canadian Union of Postal Workers enjoyed support from rural areas to defense postal services or International Ladies Garment Workers Union could reach its goals by coming together with Asian immigrant community associations (Sadler, 2000, p. 137).

Companies may not be considered as bodies that could do whatever they would like. They are active agents that shape and dominate the world system however their relations with labor, consumers, investors, states and non-governmental organizations have impact on their choice of behaviors and policies. For instance non-governmental organizations such as Amnesty International or Human Right Watch, which do not delegitimize capitalism, criticize certain behaviors of companies. For instance HRW published two reports on human right abuses of Exxon and Shell in 1999. Operations of BP in Colombia and Unocal in Myanmar also took attention of the public (Ratner, 2001, p. 446; Muchlinski, 2001, p. 31).

Non-governmental organizations and mass organizations show more interest on focusing activities of TNCs together with the rapid increase in the foreign direct investments under the globalization period assisted with neo-liberal policies. Economic power of TNCs may have more strength than many states and together with the state officials; they may take part in human right abuses (Ratner, 2001, p. 447). The IMF's and the WTO's policies and their negative impacts on national economies, intense economic crisis produced by policies of such organizations brought together various movements under the umbrella of anti-globalization movement and social forums. Additionally issues as child labor, forced labor, freedom of association, right to strike and environmental issues took attention of wide variety of issue related mass organizations. All these concerns related with the profit maximizing efforts of monopolies create solid base for unions and issue related mass organizations and non-governmental organizations to build coalitions.

Boycotting is also influential in applying pressure over TNCs. In transnational solidarity campaigns, NGOs may call for boycotts as a "coercive marketplace tactic". Boycott is a tactic to influence corporate behavior to achieve certain objectives. These calls increased enormously since 1990s (John and Klein, 2003, p 1196-1197). Developing strategies by complementing local struggle with transnational campaigning is not a new discovery, but new methods and forms could be invented as combining labor movement with the consumer activism (Anner, 2001, p. 2). Major retailers and brands in textile sector have "immense power" in the market, outsourcing its production to many small or medium corporations producing for minimal costs with easily movable equipments,

therefore most of campaigns in textile-clothing sector could not succeed. Also TNCs in textile sector do not generally have a big workforce in their own countries. Even most TNCs have small production plants, so home country unions may not have sufficient strength to challenge and convince TNCs. Existing EWCs may not also help workers because EWC members generally do not come from production, they are mostly working in marketing, design and distribution departments (Anner et. al., 2006, p.20-21).

Coalitions built among trade unions and issue related civil society organizations would help labor movement to rise and achieve certain demands however one or a few issues related NGOs may not occupy place of trade unions which is the most representative historical organizations of workers. Additionally NGOs do not necessarily be democratic within its organizational structure and do not necessarily have a mass support<sup>30</sup>.

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<sup>&</sup>lt;sup>30</sup> Interview with Matti Koskinen, Pro Trade Union, Copenhagen, 20.06.2012

### Chapter 4. Transnational capital-Local capital-Labor relations

An analysis of the links between transnational capital and local capital is vital in order to understand the effects of the transnational solidarity campaigns over the local struggles of workers. International law also plays a role in this relation. To achieve their demands, Global unions aim to use tools of international law and try to intervene to the relation between TNCs and their suppliers.

TNCs invest in many countries and outsource their production process in order to gain advantages in the global market and maximize their profits. The main source of the maximum profit is the use of cheap labor and access to sources with possible minimum costs. This motivation may have positive effects over the host country with regard to creating employment and transferring technology however it has negative effects sourcing from intense exploitation of human and natural sources. TNCs are global corporations and there is no any binding international law regulating and monitoring them. Despite the existence of binding international agreements on trade, there are no such binding rules with regard to labor and environmental issues. In order to fill this gap; labor movement, NGOs, international organizations as the ILO, the OECD and the EU, and private initiatives as auditing companies and multi-stake holder initiatives propose alternatives and apply various methods to make TNCs accountable. Such initiatives, rising public attention and "Name and Shame" campaigns force TNCs to accept their responsibilities over their global production processes and over their suppliers. Corporate Social Responsibility (CSR) and Corporate Code of Conducts (CoCs) are responses of TNCs to overcome allegations coming from various sources.

Labor movement, in general, aims to use these channels to communicate with TNCs and their suppliers, raise their demands, attract public attention and start negotiations to reach their demands. Local struggles that are focused in this thesis also aimed to influence CSR Departments of TNCs through using their CoCs, raise their demands on the Works Councils of these TNCs, apply to the ILO, the OECD and the EU to conduct with problems and invite private auditing companies to do social auditing.

#### 4.1 Corporate Social Responsibility and Codes of Conduct

Corporate Social Responsibility (CSR) and Codes of Conduct (CoC) of TNCs are important tools for trade unions to engage relations with corporations. CSR and CoCs are responses of TNCs to overcome challenges from civil society and governments with regard to their relation with workforce and environment. Therefore labor movement aims to use CSR and CoCs to convince TNCs to intervene to local problems. Applying CSR departments for violation of core labor standards which is also contrary to CoCs of these corporations is a part of strategy for the labor movement to intensify public pressure over TNCs. CSR and CoCs also provide opportunity for TNCs to clean their images against public campaigns to conduct with raised allegations and provide solutions for existing problems.

Bowen stated that "It is much easier . . . to be benevolent than it is to share power" (Ararat and Bayazıt, 2009, p.216) to stress the core logic of declaring such conducts. Outsourcing the labor-intensive production to developing countries in order to benefit from the existing working conditions raises concerns over the sufferings of the working class and naturally, monopolistic TNCs are blamed for exploiting these conditions to increase profits. The reaction of TNCs to such critiques is adopting the discourse of "Corporate Social Responsibility" (CSR). (Ararat and Bayazıt, 2009, p. 216) In 2008, *The Economist* began to defend CSR as an important tool for TNCs and Bill Gates stressed the necessity for "a more creative and socially responsible capitalism" in the World Economic Forum (Stevis, 2008, p. 3).

As a consequence of neo-liberal policies, labor faced new threats both in core and periphery countries. Shift of manufacturing from industrialized countries to the developing countries resulted with the decrease in the share of manufacturing in GDP and less employment opportunities in core countries from one hand and from the other, export-oriented policies and competition among developing countries to attract foreign direct investment triggered the formation of authoritative, anti-labor regimes in developing countries. CSR is a product of these changes both in core and periphery and acts as a legitimacy tool for TNCs. It is also argued that a dominant trend in globalization is to deregulate in national level and re-regulate internationally in favor of

interests of TNCs that directly harms the interests of labor. This is the "most aggressive phase of capitalist expansion" that commoditizing everything, reaching all parts of the earth, "converting all public space into private space" (Pratap, 2012, p. 18-19).

Current neo-liberal global economy provides favorable conditions for TNCs to use cheap labor and exploit lower standards on working conditions, labor rights and environmental regulations. On the other side, TNCs advocate that they transfer advanced technology to these countries and introduce efficient standards. These positive impacts should not undermine the working conditions and TNC's aim to maximize profits through exploiting labor force and natural sources. Also in many instances, TNCs do not prefer to invest for new plants but instead, they tend to buy already established plants and facilities. It is clear that TNCs have direct impact on lives of people and socio-economical aspects of countries. Therefore in today's world, only holding states accountable would have limited affect. TNCs should be accountable. CSR is shown as a way to hold TNCs accountable. CSR could be used to reduce investment risk and maximize profits and it may be defended to standardize activities in global level and provide accountability and transparency (Monshipouri et. al., 2003, p. 967-975; Locke et. al., 2007, p. 3).

CoCs are formulated to express principles of CSR of TNCs. CoCs are not legally binding documents and the main goal is to answer the needs of corporations. These codes are not simply formulated just to shine the brand name, not just tools for public relations; they address certain needs of corporations to agree with supply chain, stakeholders, consumers, employees and managements. Many corporations accept code of conducts for multiple reasons. This may include preventing external pressures, self-controlling themselves, responding demands of consumers and shareholders. However these codes of conducts are still self-decisions of such corporations, they are voluntary commitments and may include commitments on human right issues (Ratner, 2001, p. 531; Sanders, 1982, p. 241). Ararat and Bayazıt (2009, p. 217) argues that CoCs may become tools for employers to decrease influence of trade unions in workplaces but if CoCs are formulated and monitored by a broad set of stakeholders, it may provide better conditions for social dialogue.

These codes are widely accepted by hundreds of corporations in last 20 years. They generally emphasis general ethical principles and it is difficult to apply them or control if its applied or not in thousands of suppliers that most TNCs work with (Erdoğdu, 2006, p. 398). Codes of Conducts are formulated according to the Conventions, Agreements, Guidelines, Declarations, and Directives of international organizations as United Nations, EU and OECD (Sanders, 1982, p. 241).

Some TNCs adopts "organizational integrity approach" in dealing with CSR activities. This may be done through cooperation and forging conductive relationship with NGOs. TNCs could develop training programs within its organization and with its suppliers and could build a strong monitoring system. This approach would serve to the interests of TNCs that would systematize HR policies and would let TNCs to deal with problems raised by NGOs and trade unions before these problems are publicized, so TNC could avoid bad publicity about the corporation (Santoro, 2003, p. 410).

CSR is a new industry. In 2007, value of CSR was 31.7 billion dollars (Regenmortel, 2010, p.3). Many concepts are widely used for CSR activities. "Stakeholder management", "stakeholder engagement", "business values", "business ethics", "corporate citizenships" are some instances of such attractive concepts. But these codes and activities are business oriented policies and they do not address basic problems of society. Additionally consequences of these activities prove that despite spending of millions of dollars, main problems concerning environment, education, health, clean water, low income remain (Panimbang, 2012, p. 4). TNCs have special CSR departments to audit and check the application of such codes but these audits could not cover majority of suppliers. Additionally only in very few of these audited companies, some pilot projects could be applied that may allow workers to elect their representatives (Ngai, 2005, p.102-104).

Corporate social responsibility and its unilaterally declared CoCs are encouraged by the ILO. The ILO defines CSR as follows: "CSR is a voluntary, enterprise-driven initiative and refers to activities that are considered to exceed compliance with the law" (Javillier, 2008, p. 46). According to the ILO, CSR is necessary for sustainable enterprises and sustainable enterprises are necessary for wealth creation, source of employment and

decent work conditions for employees. These are representing core labor standards which might be over the local conditions of many host countries. Additionally monopolistic TNCs' attempt to convince and support their supplier chain to respect CSR and CoCs would contribute to the workers' basic demand for decent job (Posthuma and Sims, 2009, p. 1).

Self-regulated, self-formulated Codes' main purpose is to manage relations with others in order to increase efficiency and productivity of the company. From the management point of view, one of the motivations of formulating CoCs may be taking the advantage of the general decrease in the power of unions. Even the discourse to secure workers' right without the establishment of independent workers' union and without providing necessary conditions to bargain collectively, exercising CoCs may increase the power of management over employees (Ararat and Bayazıt, 2009, p.219). Only 15 % of these codes directly and clearly mention right to organize and bargain collectively. Most employees in suppliers are not informed by these codes and they may not be translated to local languages and distributed to employees (Erdoğdu, 2006, p. 395).

#### 4.1.1. To Achieve and Sustain Good Reputation, Maintaining Legitimacy

Monopolistic TNCs are important actors in global system and they should not be judged solo by their economic performance, also their social impacts and roles attract attention (Posthuma and Sims, 2009, p. 1). By being "socially responsible" TNCs may not earn many customers however the main logic is not to lose customers because of the allied activism of unions together with mass movements and NGOs through boycotting, media coverage and increase of social awareness (Riisgaard 2005, p. 714). Good reputation of the corporation is also necessary to attract the best employees and liberate themselves to be targeted by NGOs (Weissbrodt and Kruger, 2003, p. 902).

Debates on code of conducts and framework agreements also include debates over the business ethics. CSR is a commitment that business would behave ethically. TNCs would not just aim profit but also would contribute to the economic development and would concern about the well being of the local workforce, community and

environment. "Green economy", "green job", concerning climate change, adopting code of conducts are some issues of CSRs. It is highly debatable to talk on ethics in capitalist world where there is a harsh, live and dead competition between many firms and where the essential motivation and goal is maximizing profits. However many reasons and mostly economic concerns pressure over business to accept "ethics". From one point, these ethical norms are necessary for inner auditing and organizational accountability of these companies which is necessary for monopolistic TNCs that operate in various countries to avoid corruption. From the other point, these could be used as improving public relations, attracting customers. Therefore an "ethical company" would insist on its norms if only these norms carry more profits to them. Business ethic may include capital-labor relations in order to respect core labor rights if sufficient pressure could come from labor side<sup>31</sup> (Donaldson and Dunfee, 1994, p. 252-253; Panimbang, 2012, p. 1).

TNCs are not human right protectors. Their main goal is clear: maximizing profits; the minimum demand is obeying to national laws (Muchlinski, 2001, p. 35). However this may not be sufficient because the main violator of human rights is the state itself and when the state does not obey to its own rules, TNCs may be seen as a source of corruption. TNCs may take advantage of corrupted behaviors to spread its influence, reach new markets and resources and may benefit from human right abuses. Therefore, internationally accepted standards necessitate to be implemented.

The most prominent instance of the change in international division of labor could be found at the apparel industry. Most TNCs in this industry do not have any direct production facility or they own small plants for designing purposes, however they order

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<sup>&</sup>lt;sup>31</sup> Corporate Social Responsibility was developed through providing answers for certain problems. One of the first instances of CSR is the Sullivan Principles which prohibited the USA based TNCs to invest in South Africa in the apartheid period. Cheap, powerless labor could provide high rates of profit for TNCs. In 1977, the Sullivan Code of Conduct was prepared to monitor the US based TNCs in South Africa. Sullivan was a Black Baptist minister and member of board of director of the General Motors. Main focus of the Principles is the fair employment practices for all employees, equal pay for equal work and increase the number of Blacks in management. In 1987, Sullivan called for the withdrawal of the US based TNCs from South Africa. However it is criticized that black employees in the US based TNCs are only 1 % of total number of economically active Blacks, Principles do not address the major problems of Blacks and they are voluntary (Mangaliso, 1997, p. 220-229). ICFTU criticizes the Sullivan Principles to mention that it respects "voluntary freedom of association" which is commented as "absurd" to define involuntary freedom. (ICFTU, 2012, p. 58)

required designs of products to many countries, especially to the Asian countries to be produced (Pratap, 2012, p. 27). Many garment brands are "manufacturers without factories" as Nike and Adidas. They outsource their production to independently owned factories. They concentrate their efforts on promotion of their brand names and increase profit through designing and marketing. On the other side, high level of competition among suppliers to attract orders from TNCs force them to accept unprofitable deals and they could earn their own profits by applying increasing pressure over workforce to work longer for lower wages or outsource it to smaller workshops or home workers. This situation creates flexible, short term, informal, insecure working conditions for labor (Hale, 2000, p. 27). Sporting goods industry also formulated Code of Conducts to encounter rising pressure over them from labor, consumer and human right movements and governments. In this sector, brand image has great importance. "Support for repressive regimes, environmental damage or outsourcing to countries with inferior labor conditions" and use of child labor "posed legitimacy problems" for TNCs. CoCs were declared by major monopolistic TNCs in sports industry to address criticisms. Apart from TNCs, NGOs also formulated their own CoCs as Clean Clothes Campaign from Europe, Asian Human Rights Commissions and the US Council on Economic Priorities (their CoC is named as SA 8000) (Tulder and Kolk, 2001, p. 268-271).

TNCs force suppliers to apply CSR norms in workplaces however this is extremely difficult for suppliers. Suppliers are dependent to TNCs to survive and they compete with thousands of other enterprises to attract and preserve orders coming from TNCs. In order to do this, they should give less prices and better quality. Additionally, TNCs especially in apparel industry, generally order for a short period of time, there is no guarantee for a year-long order. Generally TNCs in light industries ask from their suppliers to produce orders in a small period of time, i.e. 3 weeks or 5 weeks. Therefore suppliers force workers to work for extremely long hours and they give low wages because of low level of profit they gain from each piece. Their bargaining power is also low that is extremely difficult for them to oppose TNCs that would result easily for TNCs to shift the production. In a research in Chinese suppliers on CoCs, Chinese managers generally accept that they apply CoCs because of the pressure coming from TNCs, but they frankly state that when codes and production clash, for them production

is essential. Additionally they accept to apply CoC measures in order to preserve orders from TNCs in long run (Ngai, 2005, p.106; Interview with Mr. Akgün, 03.12.2012).

For many monopolistic TNCs, they are aware that civil society organizations are critically monitoring them and their wrong doings would be answered by various methods of anti-corporate campaigns, therefore they are more willingly to apply CSR practices, however it is more difficult to transfer such practices to most of small or medium scale companies that would not like to go beyond legal laws because they are not under such critical eye of NGOs. Also it is extremely difficult to monitor their thousands of suppliers (ILO, 2008, p. 4).

#### 4.1.2 CSR and CoCs: Progress or Cheat?

CoCs were first seen as a progress to define responsibilities of TNCs over their suppliers in 1990s. Almost two decades passed and most TNCs accepted CoCs, however general working conditions and situation of the labor is deteriorated instead of improvement. Wages are falling and dangerous working conditions remain as could be seen from the fires in textile plants in different countries where hundreds of workers lose their lives. Additionally when there is public attention over violation of labor rights and CoCs, TNCs prefer to cancel the contract with that supplier and continues production with other contracted supplier. This attitude does not bring any positive consequence and as a result of the cancelling the contract, workers lose their jobs and there is high possibility for the new contractor to provide similar conditions to employees (Shepherd, 2000, p. 10-13).

Linnik and Thorsen (2008, p. 107) advocate that Corporate Social Responsibility is an oxymoron concept. Rather, they propose to define it as Corporate Social Opportunities. For TNCs, they apply CSR practices for branding purposes and "create a competitive edge" by going "beyond basic compliances". "Corporate Accountability" is also other concept referring to CSR (Justice, 2003, p. 4).

One of the first scandals that TNCs began to focus on CoCs was the Washington Post's report about the production of Levi jeans by Chinese prison labor in 1992. Levi Strauss responded this scandal by declaring its CoC. Wal-Mart followed Levi Strauss and many US based TNCs declared their own CoCs. In the UK, some companies draw their own CoCs and some others signed ETI (Ethical Trade Initiative) base code. UK based NGOs participated ETI to overcome critiques and formulate procedures for ensuring implementation, monitoring and verification (Hale, 2000, p. 25; Ngai, 2005, p. 102; Locke et. al., 2007, p. 3; De Castro, 2008, p. 130).

Regulating TNCs does not only a concern of trade unions. NGOs, governments, international organizations and investors also would like to clarify obligations of TNCs (Tulder and Kolk, 2001, p. 268). In the 1990s, mass movements reacted to the consequences of globalization and liberalization which are called anti-globalization movement. Many NGOs emerged and TNCs were targeted as a responsible of negative effects of globalization. Anti-sweat shop /"Name and Shame" campaigns in the US and European consumer campaigns organized by NGOs collaborated with trade union movement to encounter growing strength of TNCs. This closer alliance is built both at national and transnational areas. For instance "Make Trade Fair Campaign" in 2004 Olympics was organized by Clean Clothes Campaign, Oxfam and ICFTU. A similar campaign is organized in 2012 Olympics too. Consumer pressure in Western countries is a major source for CSR. It links Western consumers and Southern producers via CSR practices of TNCs (Pratap, 2012, p. 32; ALU, 2005, p.1; Regenmortel, 2010, p.1). TNCs' outsourcing practices as in clothing, footwear and toys industries located in developing countries took attention of NGOs that report inhumane working conditions, low wages, brutality and use of child labor. TNCs' response is to declare code of conducts to standardize its relation with suppliers to avoid bad publicity. (ICFTU, 2012, p. 67)

ICFTU clearly mentions that corporate social responsibility is about the attitudes of the management unilaterally, it is not same as the social responsibilities of business, CSR is not sufficient tool for regulating TNCs. It is about the way of TNCs to express its performance to their stakeholders. CSR provides some opportunities and dangers for trade unions. For instance, for most TNCs, trade unions are accounted as just one of the

stakeholders by refusing that trade union is the most important representative organization of employees. ICFTU defends that the CSR should be formulated according to the OECD Guidelines for Multinational Enterprises and the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and TNCs should not be let free to determine its responsibilities unilaterally. Most Codes of TNCs do not mention right to organize and bargain collectively or even they mention, they generally include it in a long list of human rights (ICFTU, 2012, p. 54-57). There is lack of collective representation of workers in CoCs because most of them are designed without involvement of the organized labor. Implementation mechanism is very weak and private auditors do not have sufficient legitimacy. (Ararat and Bayazıt, 2009, p. 220) CSR clearly undermines collective bargaining of trade unions which could represent employees independently and secures rights and gains based on laws. CSR is applied by Human Resources departments and even they form various committees, employees may not represent them independently. Elections to these committees do not necessarily represent real will of employees, representatives do not have any legal protection, and they do not have any bargaining power. There is high possibility that these representatives would act as intermediaries between employees and management and sell company's policies to workers being integrated to HR departments (Regenmortel, 2010, p.3).

CSR activities of TNCs are also criticized by solo doing philanthropic activities that helps them to shine their brand names from one hand and from the other, this may shadow low wages, long working hours and job insecurity in its suppliers. It is also highly arguable to draw borders between such practices and corruption (Liem, 2012, p. 72-80; Regenmortel, 2010, p.5). Strategic management of CSR can reduce risks and may bring benefits to the company. Also it is argued that philanthropy can provide competitive advantage in the market. In most Asian countries, TNCs provide medical facilities, build houses and schools, and bring clean water to people. By doing such practices, states' traditional duty to provide these services would be underestimated and TNCs, which do not necessarily stay at that region for a long term and which do not have any responsibility for providing such services, would benefit for its own purposes. By building some houses and hospitals, TNCs use them as an advertisement, earn sympathy of the local people but on the other hand, they would earn extreme profits by

using human and natural resources which could not be compared with constructing a few buildings. Additionally it is not possible for TNCs to provide services for everyone, they do not have such responsibilities, so there would be discrimination among communities and would contribute to inequality from another point (Husted and Allen, 2006, p. 839; Strike et. al., 2006, p. 852; Panimbang, 2012, p. 2; Rodrigues et al., 2006, p. 740).

There are debates among Asian NGOs and trade unions on their attitude towards CSR activities. Some of them directly participate to CSR activities while some others defend skeptic arguments towards CSR and advocate that only organized labor could overcome existing problems instead of voluntary services of TNCs (Panimbang, 2012, p. 2). Even CSR is accepted by many TNCs, it is not common to find fundamental changes in workplaces. Still workers earn low wages, they generally work for long hours under bad working conditions. In the massacre-like firings in textile factories India and Bangladesh, in where hundreds of workers lost their lives, workers were producing for monopolistic TNCs advocating CSR. There are instances that despite the published CoCs and audition, in the Ali Enterprise in Karachi-Pakistan, almost 300 workers were died as a result of a fire in October 2012 (Pratap, 2012, p. 21; AAWL, 2012).

Basic control mechanism of sincerity of the CSR would be to check if workers could use right to organize and bargain collectively freely if they really care wellbeing of people. Additionally, if these TNCs are socially responsible, it is necessary to examine their reason to outsource their productions. If outsourcing is for maximizing profits and if TNCs would like to liberate themselves from various costs investing directly, all words on behalf of responsibility should be questioned. Another criticism to the CSR is the privatization of the labor law and promoting self regulation of TNCs. This might localize regulation and neglect national constitution. Code of Conducts is also undemocratic because labor, government or society could not be informed and could not contribute to formulation of these codes (Panimbang, 2012, p. 4-6).

Unions and the cases focused in this thesis deal with CoCs as tools to convince TNCs to interfere to the local dispute and develop necessary conditions to start negotiation process. It is a general claim of companies to point out the legal system to refuse

negotiation with the Union during campaigns. While from one hand, companies use various methods to suppress the unionization efforts in the workplace, on the other hand they refuse negotiating with the union by the excuse of the legal 50 % plus 1 threshold for the collective bargaining. Unions respond such claims by demonstrating that the international and nation law together with the CoC of these companies necessitate to respect freedom of association and being against discrimination and company's commitment to the social dialogue. CoCs and "social dialogue" discourse may become tools for Unions to justify the campaign's goal to start informal negotiations.

Apart from governments, only counterbalance to the managements of corporations is trade unions and workers right to sign collective agreements. Trade unions are legitimate and mostly legal representatives of workers and this reality could not be challenged by the unilateral initiatives of managements of corporations. Therefore in the absence of free and independent trade unions in workplaces, it is much difficult to check and measure the corporations' attitude towards to right to organize and bargain collectively. Trade unions are the most effective and independent organizations to monitor social behaviors of TNCs and their suppliers and not for only a short period but also in the long run. Professional CSR enterprises, auditors and inspectors may not act as "voices" of workers, and they cannot represent workers, they do not have such function (Ryder, 2003, p. 22; Justice, 2003, p. 6-9).

As the former General Secretary of ICFTU, Guy Ryder states "Democracy comes from the involvement of the people, not the good intentions of the elite. (...) Corporate social responsibility is useful to the extent that it provides the space for workers to protect their own interests and it is damaging to the extent that it tries to fill that space" (Ryder, 2003, p. 21-22).

#### **4.2 Works Councils**

There are two types of Works Councils. The first is the European Works Council that is obligatory for TNCs in the EU to form if they fulfill certain criteria and the second is World Works Councils which are formed by Global Unions as networks to coordinate

unions organizing in same TNC. GUFs initiated Work Councils to provide opportunity for trade unions from various countries to work for a common employer together to discuss wide range of issues. These are trade union structures. However European Works Councils are not trade union structures. It is a part of the EU law (ICFTU, 2012, p. 92-93).

Historically, global unions lobbied much for works councils. International Metal Workers Federation (IMF) gave special attention for the establishment of Works Councils in TNCs and in 1966, they succeeded in establishment of Works Councils in Ford, General Motors, Chrysler and Volkswagen. Logic behind such councils for global unions was to coordinate bargaining and provide information, supporting each other and promoting solidarity. It is clear that wage bargaining in global level is not realistic at the beginning however working conditions, such as health and safety, freedom of association and right for collective agreements, should be debated (Herod, 1995, p. 357).

European Works Councils is not a direct organ of the international labor movement but it is an organization of the "social dialogue policy" of the European Union. Unions and elected workers have voice in these councils and it is designed for information and consultation between managements and workers of TNCs operating in more than one EU state.

Works Councils in Europe are company based institutions. They were established by a part of social protocol of Maastricht Treaty (1993) and according to the Treaty companies which employ more than 1000 workers and locate in more than one EU countries establish works councils<sup>32</sup>. Main purpose of EWC is to inform and consult to employees about policies of the company and learn their demands. These councils meet at least once a year. The European Trade Union Confederation (ETUC) lobbied long for

<sup>&</sup>lt;sup>32</sup> History of European Works Councils passed through three stages. The first stage began in 1970s and main goal was the harmonization of the national systems. The Fifth Directive on the company law in 1972 proposed an obligatory supervisory board where employees could represent themselves. In the second stage, there was more emphasis on labor law instead of company law and 1980 Vredeling Directive focused on information and consultation rights at the workplace. And in the third stage, by the 1994 European Works Council Directive, coordination between labor and capital was the key objective. This directive was accepted by EU's 14 states and Iceland, Norway and Lichtenstein in September 1996. However there are gaps between countries in fully implementing the directive. (Sadler, 2000, p. 146)

establishment of such councils in order to bring workers from different countries together to share experiences of the same company that they work for (Wills, 1998, p.122).

In the European Union, under the European Works Councils Directive, TNCs are obliged to form EWCs. This is a legal way of social dialogue between parties. EWCs are not supposed to be composing of union members. Members of EWCs are elected by employees and they do not have to elect union members. Trade union's representativity in EWCs depends to the strength of unions in TNCs (ICFTU, 2012, p. 93). In practice, companies and their human sources department may work hard to avoid union members to represent them in EWCs and managements are criticized by not informing employees properly and fully<sup>33</sup>.

The European Union Commissioner for Social Affairs, Padraig Flynn points out that the EWC directive is "the first agreement that is legally binding upon multinational corporations (...) They have to consider the social policy aspects of their decisions (...) and employees must be involved in management decisions" (Wills, 1998, p. 123).

It is also necessary to note that there have been changes in traditional industrial sociology in management of capital-labor relations from the perspective of the capital. Instead of Taylorist direct control of the management, there is a growing focus on involving employees to company decision-making processes, providing "responsible authority" and demanding "occupational flexibility" for the good of the company. This is influenced from Japanese kaizen model but it is not directly the same. Therefore union and employee involvement and negotiations would be valuable for managements to increase productivity and efficiency and create the sense of "we" instead of two sides confronting each other. The EU Commission's Green Paper also suggests "improving employment and competitiveness through better organization of the work at the workplace" by more flexible and innovative structure with the participation of employees (Sadler, 2000, p. 140). It is necessary to re-read the logic of works councils and "social dialogue" policy from this new approach too.

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<sup>&</sup>lt;sup>33</sup> (Interview with Christa Teller, ETF Officer, Brussels, 06.10.2012)

"For some, EWCs offer the prospect of enhanced trans-nationalism on the part of labor, because they enable grass-roots activism to relate to European concerns. For others, the picture is more complicated, entailing consideration of the links between European Works Councils and preexisting national systems, and of the ways in which work councils in general have proved to be a highly effective management tool rather than a means of advancing labor interests." (Sadler, 2000, p. 146)

As it was established and sponsored by companies themselves, main purpose is to increase efficiency and productivity of the company. Economic purposes have priority, social purposes has a secondary importance (Wills, 1998, p. 123). However for unions, these councils could be opportunities for maintaining labor-capital relations. If there is any violation of labor rights or any problems in any of companies' plants, unions and workers may officially raise their concerns and demands in councils meetings. This could create conditions for unions to support each other in concrete terms.

European Works Councils have created opportunities for unions to raise their voices directly to the executive members of companies and European trade unions welcomed these institutions. Also unions may learn and understand strategies and goals of companies directly via these meetings. However main purpose of these councils is economic development of companies as increasing productivity and efficiency. Logic of these councils prioritize dialogue, compromise and collaboration and "we are at the same ship" understanding. Companies are seeking to maximize their profits and productivity and efficiency terms are used to increase profits of the company. From the Marxist perspective, this means increase in the surplus value and more exploitation of labor force. Therefore worker and unions' participation for increase the exploitation would not be welcomed (Erdoğdu, 2006, p. 368).

Unions may bring violations of labor rights or their demands to EWC meetings and through these informing mechanisms, workers may solve their problems. For instance Bosch workers in Bursa/Turkey, who would like to change their unions in 2012, could use Works Council of Bosch in order to guarantee job security and non-involvement of the management. This could encourage workers to change their unions or the problems in GEA plant in Gebze/Turkey forced workers to initiate picket line in 2011 however

they claimed that they could not take support of the Works Council and blamed the Union representative of the Council. These instances demonstrate that despite having inabilities, Unions may raise their demands and problems in Works Councils to achieve solutions. Works Councils may create opportunity for workers and unions of different countries working in same monopoly to meet and get in touch with each other.

ETUC points out the contradictions in theory and practices of works councils. In its report in 1999, ETUC claims that the information shared by managements might not be proper and consultations of employees might not take into account seriously. Additionally company managements may use this body to legitimize their already taken decisions (Sadler, 2000, p. 147). Additionally, meeting with colleagues from other countries should not necessarily raise solidarity among each other. It may be used by capital for social dumping and play off to each other. Closure of a plant in one country or decrease in profits may divide workers to save their jobs or as could be seen in the decision of Opel to close one of its plants in Bochum/Germany in 2012 may mobilize workers from other Opel plants for international solidarity and works councils are used as a one way of communication channel.

Second problem could be the Union-council relations. Unions are independent bodies of the workers' movement however councils do not have such independency and do not have the right to bargain collectively and sign collective agreements. Companies may use such councils to underestimate the importance and participation of the unions to company affairs. It is known that number of affiliates of unions decreases and for many workers, unions are not effective therefore by the encouragement of the company works councils may be presented as an alternative to unions (Sadler, 2000, p. 135).

Therefore Workers Councils may be used for both sides to protect and defend their interests. Workers and unions may use such councils as "one" of their instruments to reach their targets however the logic, establishment procedure, rights, finances of these councils give capital more opportunity to gather workers and management to discuss on efficiency and productivity, in short increase of the surplus value/exploitation.

#### 4.3 The Role of International Organizations

International law recognizes labor rights however mechanisms to protect rights and standards are weak. There are various effective mechanisms and institutions to foster global economic integration but not much to avoid its negative consequences. Economical growth of monopolistic TNCs and its political effects took attention of international organizations as the United Nations or the OECD. Operations of TNCs have impact on four key actors. These are the corporation itself, home country of corporation, the host country of TNC and the population lives in these areas. Therefore there had been growing focus on regulating activities of such corporations. There were clear instances for the reason of such concern. United Fruit Company's role in destabilizing governments of Guatemala in 1950s and Chile in 1970s is well known (Trubek, 2006, p. 725).

There are debates on the role of "soft law" in decentralized international society whether it is complementary to the legal system or it is accepted to encounter the international labor law developed by the ILO (Duplessis, 2008, p. 8). In order to fill the limits of international law, the UN and its Global Compact, the EU, the WB, the OECD, and many NGOs work with and/or for business to improve principles of CSR to promote labor standards and environmental standards (ILO, 2008, p. 1-2).

It is important to note the imbalance between the strength of the TNCs/world trade regime and weak regulatory and monitoring of these institutions. Domestic labor law was developed in 20<sup>th</sup> century to encounter inequalities in bargaining power of labor, and to provide protection of workers in health and safety issues. Forming trade unions and bargaining collectively are secured by laws. These developments are accompanied in international level through ILO, however this system does not work properly in globalization period that TNCs as global actors could not be checked and bind by international law in order to protect labor rights. There are different arguments to overcome this lack of governance. For instance it is argued that there is a need for regional and global enforceable mechanisms. Additional to these enforcement mechanisms, private standards and private enforcement mechanisms should accompany to strengthen labor law. The European Union is shown as an effective organization to

ensure regional enforcement mechanisms. There are also campaigns to convince the WTO to provide sanctions to TNCs (Trubek, 2006, p. 725-731; Müller et. al., 2008, p. 1).

Developed countries may impose restrictions to trade with other countries with regard to their practices in labor conditions, environmental issues or human rights. Sanctions of the US and the EU on Burma because of Burma's human right abuses are instances. However these are highly controversial and complex issues to understand the real motivations of these countries to impose restrictions on others. Also the US and the UK accepted Acts on imposing sanctions on TNCs of their countries if they do corruption or bribery with regard to their investments in host countries. Several European countries encourage TNCs to add their social and environmental practices on their annual reports as this is obligatory in France and Denmark. Additionally, it is necessary to examine the WTO while the WTO imposes many sanctions on trade issues but regrets applying these sanctions on protecting domestic labor conditions (Vogel, 2007, p.13-20; ILO, 2008, p. 4).

International law concerning TNCs has very general and non-binding proposals. From 1919 to 2011, ILO had adopted 189 Conventions (ILO web site, 2012). These cover wide range of labor issues. These are important because almost all states are affiliates to the ILO and the ILO has a tri-partite structure signifying that decisions are taken by a broad consensus together with representations of labor, business and governments (Douglas et. al., 2004, p. 275). In 1977, the ILO adopted the Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy. It is "the most applicable and authoritative statement concerning the relationship of business to social development". The main aims of the Declaration are "to encourage the positive contributions of MNCs to economic and social progress" and "to minimize and resolve the difficulties to which their operations may give rise" (ILO, 2012, p. 3-4). Importance of such declaration is as said in its name accepted by three component groups of the ILO as governments, labor and capital representatives. ILO's policy offers each member to create mechanism to develop dialogue between employers, employees and governments. This is not a binding declaration and there is no sanction. The Declaration offers TNCs to formulate their responsibilities by consulting to labor and government.

In order to control and monitor TNCs, in 1974, UN formed Centre of Transnational Corporations and this Centre formulated two draft codes of TNCs in 1983 and 1990. This code was focusing on rights of the host country and prohibits intervention of TNCs to the domestic policies of the host country and calls them to obey national laws (Ratner, 2001, p. 487; Erdoğdu, 2006, p. 381; Sanders, 1982, p. 241; ICFTU, 2012, p. 62).

The ILO Tripartite Declaration of Principles Concerning Multinational Companies and Social Policy, accepted in 1998 and revised in 2000, is the main legal document emphasizes the basic ILO Conventions. 1998 ILO Declaration refers to Conventions Nos 29, 87, 98, 100, 105, 111, 138 and 182 that are on abolition of forced labor (29 and 105), freedom to unionize (87), right to organize and collective bargaining (98), equal pay (100), non-discrimination (111), minimum working age (138) and worst forms of child labor (182). Most CoCs do not openly refer to 1998 Declaration however it is necessary to note that this was an initiative coming from employer side in the ILO. Despite all ILO documents are approved together with business, labor and state representatives, TNCs tend to make selection within the ILO Conventions to apply and use CSR to encounter public pressures (Daugareilh, 2008, p. 68-72; Gao, 2008, p. 138).

In 2003, the UN Sub-Commission on the Promotion and Protection of Human Right approved the "Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with Regard to Human Rights". These norms are another initiative to make business accountable for their human right violations including repressing trade unions (Weissbrodt and Kruger, 2003, p. 901). These norms target all kinds of business enterprises. It could be extended to suppliers of TNCs. These norms are a part of the soft law, not binding but norms are not formulated for voluntary initiatives. Its goal is to be converted to formal, binding agreements (Weissbrodt and Kruger, 2003, p. 914).

The ILO has a monitoring process. The most prominent committee on monitoring is the Committee of Experts on the Application of Conventions and Recommendations. (CEACR) Members of the Committee of Experts are selected from different geographical areas and legal systems. CEACR prepares annual reports to the annual International Labor Conference on the implementation of the ILO Conventions by

commenting on specific countries on non compliance with ILO Conventions. At ILO's Conference, this report is submitted to the Conference Committee on the Application of Conventions and Recommendations. This committee elaborates the report and comments on the most egregious cases. Another specific committee is the Committee on Freedom of Association examines complaints coming from governments, trade unions and other private groups. The most effective tool of ILO is the publishing reports. ILO may also provide technical assistance to countries which aim to reform labor legislations according to the Conventions. The ILO does not have any authority to impose Conventions or fine states that violate them<sup>34</sup> (Douglas et. al., 2004, p. 275-276; Gravel, 2008, p. 80).

The OECD also drafted guidelines for TNCs. The OECD Guidelines are "recommendations addressed by governments to multinational enterprises" for good corporate behavior to be applied for TNCs to all operations of their corporations. These are the most comprehensive rules that governments formulated for TNCs. It was adopted in 1976 and revised in 2000. They are non-binding and can be applicable to all enterprises. The OECD establishes National Contact Points that aim to solve problems. Governments are responsible for these Points but they may prefer to organize it together with labor and/or business representatives. Trade unions or NGOs may apply to these NCPs if any corporation is accused to violate Guidelines. NCPs should decide to inspect complaints and if they accept it, they issue a public statement on the case and make recommendations. Regarding labor relations, these guidelines include general human right issues. Basic labor rights should be respected, rights of workers' representatives should be recognized, local workforce should be employed, and local laws should be obeyed. But despite the OECD's codes on liberalization of the capital movements are binding, guidelines for TNCs are voluntary statements (Evans, 2003, p. 26-27; Ratner, 2001, p. 488; Erdoğdu, 2006, p. 378; ICFTU, 2012, p. 63-65). In1999, the OECD Principles of Corporate Governance were formulated and Principles were revised in 2004. The OECD and the World Bank collaborated in this area and TUAC (Trade

<sup>&</sup>lt;sup>34</sup> Regarding the labor movement in Turkey, the ILO played a key role in two main issues in 1980s. First was to re-gain labor rights after the 1980 military coup. The ILO was acted as a platform by Türk-İş Confederation after 1986 to make pressure over government to recognize basic labor rights. The second was the usage of the ILO Convention No: 98 to defend right to organize for public employees. (Koç, 2000a, p. 17)

Union Adversary Committee) is representing global labor movement in many meetings with these organizations<sup>35</sup> (ICFTU, 2012, p. 52).

Global Unions also lobby for adding "social clause" to General Agreement on Tariffs and Trade (GATT) that include some core labor standards (Trubek et.al., 2000, p. 1188). Social clause emphasizes eight ILO Conventions. These are No 87 and No 98 of ILO Conventions on right to organize and collective bargaining. ILO Conventions No 29 and No 105 on abolition of forced labor, ILO Conventions No 111 and 100 on equal remuneration and against discrimination, ILO Convention No 138 on minimum age for the admission to employment and ILO Convention No 182 on the worst forms of child labor. If the social cause including all these conventions could be applied via binding international trade agreements, employees may find more favorable conditions to defend their rights and fight for a decent life; however long campaigns, many efforts (since beginning of 1980s) but very little progress on behalf of labor rights need to be questioned (Erdoğdu, 2006, p. 349).

ILO Conventions suggest comprehensive rights for workers, however for trade unions, the fundamental concern is to secure freedom of association and right to bargain collectively. This concern is covered by ILO Conventions 87 and 98. ILO Convention no 87 on Freedom of Associations and Protection of The Right to Organize is adopted in 1948 and ratified by over 140 countries. ILO Convention No 98 on the Right to Organize and Collective Bargaining was adopted in 1949 and ratified by over 150 countries (ICFTU, 2012, p. 27). ILO Conventions could succeed in effecting national labor codes however it could not enforce a legal framework for companies. While trade agreements on favor of capital owners are binding, all codes regarding labor rights

<sup>&</sup>lt;sup>35</sup> To understand the reasons of the OECD and the ILO to formulate and revise Guidelines and Declarations in 1970s and 2000s, it is necessary to understand the political situation of these times. 1960s and 1970s were marked with the increase in the social mobilization in world wide. Trade unions were stronger and mass movements were emerged. 1968 Youth Movement, Black Movement, Feminist Movement, National Liberation Movements, China's rising influence, increase in the criticism of core advanced capitalist countries by developing countries of Asia and Africa, national and socialist movements in Latin America shaped the political atmosphere in this period. TNCs are also blamed for their corrupted relations with repressive governments. Their close relations with their home countries' governments and military and intelligence services were hardly criticized. Under these conditions, the UN/ILO and the OECD began to formulate guidelines and declarations to monitor, and regulate TNCs. The ILO's and the OECD's revision of their guidelines and declarations and Kofi Annan's declaration of the Global Compact at the beginning of the 21st century also were consequences of the rising antiglobalization movement, especially symbolized by the failure of the WTO Ministerial Meeting in Seattle. (Pratap, 2012, p. 33-38; Santoro, 2003, p. 408)

prepared for TNCs are voluntary. (Erdoğdu, 2006, p. 320) Koç also claims that after the dissolution of the USSR and Eastern Bloc, employer representatives tend to shape ILO as just a technical cooperation organization (Koç, 2000a, p. 8).

Another initiative of the UN is the Global Compact. "Global Compact" was introduced by the UN Secretary General Kofi Annan in 1999 at the World Economic Forum as a global dialogue platform to define responsibilities of corporations. The reason of this initiative is to ensure sustainable global economy. Parties are the UN, global unions, TNCs and civil society organizations. Main social responsibilities of TNCs are defined as human rights, labor rights and protection of environment. Principles on labor issues are freedom of association, elimination of forced labor including mandatory overtime, abolishment of child labor and anti-discrimination. The Global Compact suggests social dialogue between managements and workers. This was a call to business to support ten principles and apply them in their daily activities. It is easy for companies to engage to the Global Compact. They need to send a letter to the UN Secretary General and publish annual reports on this issue. This is a voluntary initiative and almost 50 TNCs participate, however Global Unions claim that TNCs do not provide trustful information (Monshipouri et. al., 2003, p. 979; Erdoğdu, 2006, p. 388-389; Weissbrodt and Kruger, 2003, p. 903; ICFTU, 2012, p. 72).

The EU had new competences with regard to social and employment issues after the formation of the Single Market in 1993 and these competences were reflected by the Amsterdam Treaty in 1997. The Lisbon Treaty in 2010 also decided to strengthen the public-private partnership and referenced to the CSR principles. Business organizations accepted CSR but refused the EU to regulate CSR activities by claiming that there would not be "one size fits all" solutions and stressing the voluntary character of CSR (De Castro, 2008, p. 131-135).

CSR activities in Europe were promoted by the President of European Commission, Jacques Delors at the beginning of 1990s. "European Declaration of Businesses against Social Exclusion" was initiated by himself and the CSR Europe was formed with 57 companies to exchange best practices in this field. In July 2001, the Commission published Green Paper to promote European framework for CSR. In 2002, a

Communication on "CSR: A Business Contribution to Sustainable Development" was published and European Multi-stake Forum was formed in October 2002. In 2006, the EU Communication stresses that The Commission is willing to give more political visibility to CSR (Renaut, 2003, p. 35; European Commission, 2006, p.2).

The European Commission also supports the Global Reporting Initiative which is formed in 1997 as a multipartite initiative by trade unions, companies, NGOs and governments and partly financed by the UN. GRI was formed to develop criterias for economic, social and environmental issues. These criterias are voluntary and become source for CoCs. Global Reporting Initiative was firstly initiated by the Coalition for Environmentally Responsible Economies in partnership with the UN Environment Program and drafted its first guides in 2000. Then in 2002, core labor standards were included to the Guidelines (ILO, 2012, p. 23; Renaut, 2003, p. 38).

There are also public policies to make corporate accountable for their activities. In France, the "Social Report" Law requires corporations with having over 300 employees to prepare annual reports on social issues. This report is submitted to a committee of workers and then workers debate on the report together with the management. After parties approve the report, it is distributed to the Works Councils, trade union delegates, shareholders and labor inspectors and any workers requesting it. A similar law is also applied in Belgium covering all enterprises employing over 20 employees and the report should be submitted to the National Bank of Belgium (Urminsky, 2003, p. 58).

There are initiatives of the OECD, the EU and the UN and inter-governmental organizations work on various attempts to standardize accounting and reporting. These attempts are not solo on labor issues; on the contrary, they mainly focus on bribery and other instance of corruption (ICFTU, 2012, p. 53).

### 4.4 Auditing, Monitoring, and Inspecting the TNCs

In the absence of legally binding regulatory and monitoring frameworks for TNCs, this gap is aimed to be filled by private initiatives. There is lack of legally enforceable

mechanisms in global level. Efforts of NGOs and private corporations could apply social or market penalties rather than legally enforceable standards. Therefore emergence of pressure over reputation and voluntary initiatives could be seen as a natural consequence of today's concrete conditions. However these initiatives are criticized to privatize the international labor law. These could provide "soft accountability" for TNCs and also this would trigger the question of accountability of these initiatives (Papadakis, 2008, p 1; Vogel, 2007, p.5).

Many private companies and multi-stakeholder NGOs are established for auditing. TNCs are more likely to certificate themselves as a part of CSR activities. These certifications are done by "independent" organizations and they determine performances of TNCs. TNCs may use these reports as a public relations tool. Firstly, the credibility of such third party organizations should be questioned. Secondly, even these organizations are credible enough, their inspectors are not in the workplace constantly, their investigations could be easily biased and there is no any guarantee for overall performance. Thirdly, these organizations do not have any power and opportunity to monitor all facilities and suppliers of TNCs in all parts of the world. Fourthly most of them are financed by corporations. Auditing the auditing companies is also a problematic issue. Lastly the "performance indicators" of social dimension is hard to define. Therefore main and the most effective, reliable and long term monitoring organization is trade unions which represent workers independently. Trade unions could access information from all facilities for long term purposes, can directly intervene to management's policies and bargain on behalf of employees (ICFTU, 2012, p. 59-60).

Monitoring generally has two specific purposes. The first is to inform customers, customer movement and investors which may apply market pressure over TNCs and the second is for TNCs to control their suppliers. Auditing companies' activities are not designed for protection of labor rights or improvement of working conditions. Even if they prepare well prepared reports shading light on real conditions, this would create "danger" for these auditing corporations to lose their customers. If auditors are NGOs, it is also not clear if they have certain technical expertise. Their reports do not have any legal effect however they may be easily used to prevent damage to the reputations of brands (Locke et. al., 2007, p. 4-5).

These voluntary initiatives may not be considered as a substitute to the labor law. For the ILO, these are complementary to the public authorities, should not be replaced by them (Gravel, 2008, p. 97). Privatized workplace inspections are very common that from China, India and Vietnam to Honduras, Mexico, suppliers are audited by private companies or multi-stake holder initiatives more than their governments' official inspectors. These inspections are necessary for TNCs but they are not just for labor issues. On the contrary, main motivation is the desire of TNCs to control production processes done by complex global-wide supply chains. Most CSR programs cover minimum labor standards. They do not have sufficient capacity to inspect freedom of association rights. Only a few CSR programs initiated by NGOs and trade unions focus on core labor issues and provide more detailed and objective reports. Most CSR programs focus on standards as minimum working age, minimum salary, overtime wage etc, however they do not prioritize rights as formation of union, bargaining collectively etc. (Anner, 2012, p. 2-3). "Social auditing" inspects TNCs with regard to the monitoring of labor and environmental issues in many industries as forestry, agriculture, textile etc. Public concern and campaigns of trade unions and NGOs forced TNCs to accept auditing to earn credibility. There are some steps to do social auditing and this might take a few days to conclude. Auditors firstly do document review, then inspect the plant and interview with workers and managers (Hunter and Urminsky, 2003, p. 47-48).

The social accounting companies define themselves as "independent" third parties which monitor and audit TNCs. They act as "reputation assurance" companies for TNCs to overcome international scandals. Various "multi-stake holder initiatives" are introduced to do social auditing. These initiatives are generally formed together by TNCs and some NGOs. Trade unions may participate some of them. These are private standard setting and are formed to earn profit. Enterprises that "sell social auditing services" cannot be defined as independent monitoring. They are financed and controlled by corporations. The weakest side of these "social auditing" is on the freedom of association and right to bargain collectively which is difficult to determine. A few days long auditing at most and reliability problem would not let auditors to understand if there is a systematic violation of labor rights. Short social audits may not

be sufficient to understand the countless way of employers to prevent unionization and workers' trust may not be earned easily. Additionally privatized labor relations auditors could not perform same duties as states and trade unions. The New Economic Foundation, which does social auditing since early 1990s, reports that social reporting was captured by the marketing departments, there is a problem of reputation of these audits, is manipulative, needs strong norms and strong stakeholders, and needs to be standardized and democratized. A Hong Kong based coalition of labor group —Labor Rights in China- criticizes CoCs as "labor rights without labor". A ETI member NGO — Women Working Worldwide (WWW)— conducted a research on CoCs in suppliers of TNCs in Indonesia, The Philippines, Sri Lanka, Bangladesh, Pakistan and India and founded that workers generally do not have any knowledge about CoCs and when they learn, they showed a high level of skepticism<sup>36</sup> (Hale, 2000, p. 28; Shepherd, 2000b, p. 30; NEF, 2000, p. 2; ICFTU, 2012, p. 69-72; Shepherd, 2000, p. 11; Anner, 2012, p. 3).

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The Council on Economic Priorities" (CEP) – a NGO from the USA- developed social responsibility standards for human and labor rights which is called SA 8000. (Social Accountability 8000) SA 8000 is audited by Social Accountability International (SAI) in which trade union and business representatives share seat on its Board and SAI audits TNCs and their supplier, and documents social responsibilities of these corporations. SAI accredits and trains third party monitoring firms in nine categories. These include child labor, forced labor, health and safety, freedom of association, discrimination, disciplinary, working hours, management oversight and living wage. SA 8000 is designed as an international labor code. It even suggests that TNCs should provide necessary conditions for employees to organize and bargain collectively even national laws do not permit or limits them. Also these rules should be applied to all suppliers of TNCs (Santoro, 2003, p. 414; Erdoğdu, 2006, p. 390-394).

Ethical Trading Initiative (ETI) is UK based and was established in 1998. ETI has its own codes, British government supports this initiative and TNCs are collaborating with NGOs and trade unions. TNCs, NGOs and trade unions are equally represented in its board. They do monitoring and independent verification. Marks and Spencer, The Body Shop, Oxfam, IUF, TUC are some of its members. ETI emphasizes learning, research, sharing information and implementing CoCs in supply chains (Santoro, 2003, p. 416; ICFTU, 2012, p. 70; Frost, 2010, p. 21).

Fair Labor Association is a product of the Apparel Industry Partnership, introduced by the US President Clinton in 1996 and FLA was established in 1998. A dozen of TNCs, over 170 universities and colleges participate to FLA. FLA covers over 1100 suppliers. In its Board, there are representatives of TNCs, NGOs and universities. Trade unions represent themselves in its Advisory Committee. Nike and LL Bean are some of its members. It establishes independent monitoring system that holds TNCs accountable together with their suppliers. Inspection of companies is financed by companies themselves. However FLA could inspect less than 5 % of any of its members' suppliers (Santoro, 2003, p. 415; ICFTU, 2012, p. 70; Frost, 2010, p. 21; Howard, 2000, p. 40).

Workers Right Consortium is a US based initiative, founded in 2000, does not include companies as members. Over 100 US based colleges and universities are affiliated to WRC. (ICFTU, 2012, p. 71)

<sup>&</sup>lt;sup>36</sup> Some NGOs also cooperate with corporations on auditing process. Some of the well-known auditing initiatives are as follows:

It is well known that suppliers generally aim to do falsification practices and cheat auditing teams of TNCs. Most generally, auditing teams do not pay much attention on labor relations rather focus on products, however these auditing practices, distributed leaflets and training programs on Code of Conducts and labor rights create space for workers to be illuminated and encouraged to research for ways to organize (ALU, 2005, p.3).

Fair Wear Foundation was founded in 1999 in the Netherlands dealing with TNCs from the Netherlands. Business associations, trade unions and NGOs represent themselves in its Board. A dozen of small and medium sized companies from the Netherland affiliate to FWA (ICFTU, 2012, p. 70).

Business for Social Responsibility (BSR) was founded in 1992, it is a US based initiative. Disney, IKEA, McDonalds, Timberland, Wal-Mart are some of its affiliates (Frost, 2010, p. 21).

Clean Clothes Campaign formed a large network throughout Europe and aims to use purchasing power of consumers to improve global labor conditions. Clean Clothes Campaign also formulated two codes on textile sector. The aim of these codes is to formulate global tools against global corporations. These are new forcing mechanisms for TNCs in a period in which the strength of unions and national legislations diminishes (Erdoğdu, 2006, p. 409; Santoro, 2003, p. 408).

# **Chapter 5. Transnational Solidarity Campaigns: Evidences from Three Sectors in Turkey**

This thesis examines three transnational solidarity campaigns to support organizing efforts of Turkish workers in supply chains of TNCs, namely the UPS Turkey campaign (2010-2011) in transportation sector, the DESA campaign (2008-2009) in leather-textile sector and the Novamed Campaign (2005-2006) in chemical sector.

This study argues that these campaigns might overcome legal barriers and anti-union attitudes of employers by combining local struggle with transnational solidarity and power coming from production with the power coming from consumption and targeting brand image. These campaigns might bring varying outcomes. Some campaigns would fail to reach fundamental aims and some others may succeed in forcing employers to accept workers' demands. For the succeeded ones, there may be variations of outcomes and such variations can be explained by post-campaigning periods. Common goal of these campaigns for trade unions is to be recognized by employers and giving an end to all kinds of anti-union attitudes. However to be recognized is not sufficient for trade unions. Trade unions' main aim is to bargain and sign collective agreements with employers and form their organizational base in workplaces. Therefore being recognized and stopping anti-union pressures is just a first step forward and campaigns seek to help to take this step. Post-campaigning period and reaching the aim of signing collective agreement also necessitates follow-up processes for members of coalition and local union's ability to form strong organizational base in the workplace. In the cases examined in this thesis, UPS workers may achieve success to sign collective agreement a short while after the end of transnational campaign. Transnational campaign in the UPS case was from the beginning to concentrate signing collective agreement with employer. Main demand was to reinstatement of 163 dismissed workers and power of the campaign could succeed in reinstatement of dismissed workers, convincing employer to initiate negotiations and follow-up processes of ITF, ETF and IBT could not give any space for the UPS to quit from its commitment. This persistence and motivation could provide TÜMTİS to achieve its main goal to sign collective agreement with UPS. However in the DESA case, transnational campaign had a different outcome. After the protocol signed between parties, coalition built for transnational solidarity was

broken up and when employer felt that there was no more pressure, corporation quit obeying protocol and re-initiated harassment to union members. But the Union used a new possible transnational solidarity campaign as a tool to conduct dialogue with corporation and could be able to maintain its organizational power. In the Novamed Campaign, in post-campaigning period, parties signed collective agreement but could not sustain support of majority of employees and lost its organizational power. Transnational campaign could force employer to accept demands of the union however union could not form its organizational base in the workplace, could not get rid of polarization among employees and at the end of the term, union could not maintain support of the majority and could not renew collective agreement. Therefore in the UPS, local struggle and transnational support could complement each other to achieve signing collective agreement whereas in the Novamed case, local power in the workplace was not sufficient and transnational solidarity could only result with partial success.

These campaigns provide good cases to understand the impact of transnational networks on the initiatives of the local unions which face severe challenges given the suppressive legal and political milieu in Turkey regarding the labor rights. Despite workers have legal rights covering core labor issues, Acts in force with regard to trade unions and collective bargaining procedures bring various obstacles for workers to unionize. Transnational solidarity campaigns could help trade unions to overcome these challenges. 2821 Trade Union Act and 2822 Collective Labor Agreement, Strike and Lock-Out Act were legislated by the military junta government after the 1980 *coup d'etat* in order to suppress the labor movement which had increasingly been organized and militant before the coup. These acts had been in effect until November 2012 however the newly formulated "Trade Unions and Collective Labor Relations Act" is still far from ILO norms and continue the essence and logic of the previous ones (Özveri, 2012, p. 3; Birelma, 2007, p. 46).

These legal changes enacted since the early 1980s have made organizing, bargaining and striking almost impossible by means of imposing legal thresholds and various procedures effectively used to control and limit the labor movement. Trade unions could be organized in industry-sector level and it is not permitted for trade unions to merge with unions from other sectors. Number of sectors was determined by lawmakers. Also

Acts intervene to the internal affairs of trade unions in details and do not recognize autonomy of trade unions. Even becoming a trade union member is a difficult process in Turkey, since workers could only become members based on the condition of registration to a public notary. To initiate collective bargaining, a trade union must overcome 10 % national sector threshold and 50% +1 workplace threshold<sup>37</sup>. Even in case of overcoming such thresholds, a company has the right of objection, may apply to the labor court and ask from the court to check that the union, who had received certificate of competence from the Ministry of Labor and Social Security to represent majority of employees, is true or not. And the court cases could take a few years to conclude. Therefore, collective bargaining is an arduous process which usually takes a long time to be initiated<sup>38</sup> (Birelma, 2007, p. 53).

Transnational solidarity campaigns are not just for overcoming legal barriers to unionize. There are some other methods of pressure and mobbing towards union members from management of corporations. In most cases, when workers decide to unionize, they face dismissals and various methods of oppression by management including mobbing, forcing to resign, threatening, and insulting. In some of these instances, workers initiate picket lines in front of plants to protest employers with the aim of gathering public attention to convince the employer to accept negotiation with the union and to reinstate dismissed union members. Nonetheless, this is, yet, another risky act, as the workers in picket line could be arrested by the military or police forces. Only a minority of such attempts could succeed mostly as a consequence of combining struggles of workers and trade unions together with the support of the public opinion.

<sup>&</sup>lt;sup>37</sup> 10 % national threshold was in force in the cases examined in this thesis. With the new "Trade Unions and Collective Labor Relations Act" by December 2012, national threshold was decreased to 3 %. For the first two years, it is 1 %, then 2 years 2 % and after 2018, it will be 3 %. AKP Government showed this as a democratic improvement, however by combining sectors and industries that trade unions may act within, *de facto* threshold increased. For instance for leather sector, there were 90.000 registered workers in 2009 and with 10 %, trade union needs 9.000 members. With the new Act, leather and textile sectors merged and total number of workforce increased to 900.000. 3 % threshold means 27.000 in which threshold increased to 30 % for that trade union. Similar problems occur in many other sectors as transportation. Another point is the percentage of the organized labor in Turkey is almost 2 % in 2012 and 3 % national threshold would not solve existing problems. (Interview with Musa Servi, President of Deri-Is, Bostancı-Istanbul, 10.09.2012; Özveri, 2012, p. 5)

<sup>&</sup>lt;sup>38</sup> Interview with Musa Servi, President of Deri-Is, Bostancı-Istanbul, 10.09.2012

Thus transnational solidarity campaigns could apply public pressure over TNCs and their suppliers to stop discrimination and mobbing towards union members.<sup>39</sup>

In all cases covered in this study, there is a crucial role for the coordinator of campaigns. Coordinators may facilitate communication between GUFs, civil society movements and local union. Coordinator also provides internal and external communications in which internal communication is to inform campaigners and workers in the field to apply necessary tactics and external communication to express what is needed. (ICFTU, 2012, p. 124) ICFTU also stresses the importance of the role of a coordinator in transnational solidarity campaigns in its guide for unions (ICFTU, 2012, p. 80).

## 5.1 The Role of Transnational Companies in the Success of Local Unions' Campaigns

Integration of world economies, global operations of TNCs change agendas of trade unions. Trade unions both in national and global levels need to challenge new international division of labor, aim to continue representing workforce in globalized economy, oppose rising inequality and precarious working conditions and change the course of globalized economy to achieve fairer distribution (ICFTU, 2012, p. 7, IG Metall, 2012, p. 3). Local capital has been transformed to a part of supply chain of TNCs and this process was accelerated by neo-liberal policies. Local capital became dependent to TNCs and a hierarchical global production chain was constructed under the guidance of TNCs. Such links between transnational capital and domestic capital has begun to shape policies of global trade unions and national trade union centers as well as the Turkish ones began to give more priority to transnational affairs and solidarity campaigns. Turkish trade unions began to give more importance to unionize

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<sup>&</sup>lt;sup>39</sup> In Turkey legal restrictions and economic conditions as high level of unemployment and low job security are main obstacles for workers to unionize. (Birelma, 2007, p. iv) Unemployment is an important problem in Turkey that effect decisions of workers to unionize. From 1980 to 2004, workable population increased by 23 million whereas the rise of the number of employed people increased by 6 million. Privatization of state owned enterprises also dismissed approximately 300.000 workers. Economic growth in Turkey does not necessarily create employment. 2000 and 2001 crisis also increased unemployment rates. (Birelma, 2007, p. 32)

plants of TNCs and their suppliers. Thus, whenever these unions face legal and illegal thresholds, barriers and oppressions towards unionization, they tend to apply to European and Global Unions they are affiliated with. They call for support from trade unions in home countries of such TNCs and civil society movements that may target TNCs when they violate labor rights. Despite the adverse affects of internationalization of capital in domestic labor movements, experiences of trade unions with respect to combining local struggles with cross-border solidarity campaigns by targeting TNCs and their suppliers demonstrate that they can, indeed, overcome certain barriers to a certain extent succeed to be recognized and initiate negotiations and bargaining process to secure basic rights and improve working conditions. Applying TNCs for the solution of the local dispute is not because of the wellbeing of TNCs. TNCs declared Code of Conducts and formulated principles of Corporate Social Responsibility as a consequence of long struggles of trade unions and issue based civil society organizations as consumer/feminist/student/human right organizations. Local union together with the Global Union takes advantage of public pressure over TNCs to change their anti-union behaviors.

The three cases studies in this thesis have become effective cross border solidarity campaigns. They are drawn from three distinct sectors, namely transportation, chemical and textile/leather; and they encouraged several other unions from other sectors to mobilize unionization plants of TNCs and their suppliers. There are two phases of these struggles. The first phase is to be recognized by corporation, stop anti-union attitudes and reinstate dismissed workers. Campaigns generally focus on the first phase. The main reason of this struggle is to create favorable conditions for trade unions to act freely and for workers to be unionized without any fear. The second phase is to continue local efforts to overcome legal thresholds in workplaces to start collective bargaining and sign collective agreement. However, all efforts to unionize in these selected companies and organize transnational solidarity campaigns do not bear same results, all calls do not receive same attention from Global and European Trade Unions and civil society organizations and all cross border solidarity campaigns may not achieve success and may fail. Although the three cases in this thesis could succeed in achieving their basic demands, they have had different outcomes when the post campaigning periods are analyzed. After the Novamed campaign, the trade union could not defend its

organizational power and when the agreement term concluded, Union could not earn support of majority and lost its right to bargain for the second term. In DESA case, Union could maintain its power in the workplace but could not pass threshold and needed to call for a second campaign to overcome new challenges. However in the UPS case, union could overcome threshold and could sign collective agreement and maintain peace in the workplace.

### **5.2** The UPS Campaign

The UPS Campaign is the most successful campaign within these three cases. The UPS Campaign could force TNCs to recognize labor rights as in the first phase and then concluded the second phase by signing collective agreement. UPS is a global delivery company and "UPS Turkey solidarity campaign" could be able to reinstate 163 dismissed union members and local union (TÜMTIS) could sign collective agreement by overcoming all thresholds in 2011. <sup>40</sup> After the initiation of recruiting members, the local management dismissed 163 employees in order to stop unionization in the company. Reaction of the Union was to initiate picket line in front of workplaces. Dismissals of Union members, firing upon workers in picket lines by a sub-contractor on July 2, 2010 in Izmir were some of the reasons for the Global Union (ITF<sup>41</sup>) and European Trade Union (ETF<sup>42</sup>) to intensify its solidarity with its Turkish affiliate<sup>43</sup>.

#### 5.2.1 Local Union-Global Union Relations

UPS Campaign in Turkey was organized jointly by TÜMTİS and its global union ITF from the very beginning onwards. Even before recruiting members, TÜMTİS and ITF's Global Delivery Unions Network (GDN) had a joint meeting in 2008 to plan organizing

10.10.2012

<sup>&</sup>lt;sup>40</sup> ITF UPS Campaign Website, <a href="http://www.itfglobal.org/campaigns/ups-justice.cfm">http://www.itfglobal.org/campaigns/ups-justice.cfm</a>, Accessed 10.10.2012

<sup>&</sup>lt;sup>41</sup> International Transport Workers Union

<sup>&</sup>lt;sup>42</sup> European Transport Workers Union

<sup>&</sup>lt;sup>43</sup> TÜMTİS is a small, militant trade union organizing in small and medium scale private companies. This was the first experience of TÜMTİS to organize a large foreign company. TÜMTİS had almost 1500 members in 2008 and UPS Turkey had 3000 formal and 2000 sub-contracting employees. Therefore the success tripled the membership number of the union.

UPS employees in Turkey. The global union did not intervene just after dismissals but from the very beginning, according to the ITF's policy of organizing global delivery campaigns, global union and its Turkish affiliate collaborated. (McGrath and Dinler, 2011, p. 374)

ITF's policy towards organizing in delivery companies was coincided with the policy of TÜMTİS. In its 27<sup>th</sup> General Assembly in 2007, TÜMTİS approved the resolution to organize in global delivery companies.. <sup>44</sup>Reaching a common understanding between the local and global union had a crucial impact over the preparation of unionization activities<sup>45</sup>.

In 2010, TÜMTİS began recruiting members and only four months later, UPS Turkey management was informed about the unionization and it repeated a pattern it had adapted before: it began to dismiss union members. Altogether 163 members were dismissed and they initiated picket lines in Istanbul and Izmir. By dismissals and picket lines, international campaign was initiated to support TÜMTİS<sup>46</sup>.

Picket lines with 163 members brought a substantial financial burden over the local union and TÜMTİS did not have such financial sources. ITF and its European organization ETF financially supported TÜMTİS and almost 100 thousand Euros were transferred to TÜMTİS to finance picket lines. It is clear that without this financial support, TÜMTİS could not continue picket line<sup>47</sup>.

Even TÜMTİS agreed with the global union to initiate a common organizing campaign, at the beginning, it was difficult to cooperate. TÜMTİS had no experience and did not have close relations with its global union. It was a very small union with comparison with other ITF affiliates. Many ITF affiliates had negative impressions about TÜMTİS because of its militancy. However common meetings to organize global delivery companies, employing experienced project managers, visits of international delegations

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<sup>&</sup>lt;sup>44</sup> ITF UPS Campaign Website, <a href="http://www.itfglobal.org/campaigns/ups-justice.cfm">http://www.itfglobal.org/campaigns/ups-justice.cfm</a>, Accessed 10.10.2012

<sup>&</sup>lt;sup>45</sup> Interview with Kenan Öztürk, President of TÜMTİS, Aksaray-Istanbul, 01.11.2012

<sup>&</sup>lt;sup>46</sup> ITF UPS Campaign Website, <a href="http://www.itfglobal.org/campaigns/ups-justice.cfm">http://www.itfglobal.org/campaigns/ups-justice.cfm</a>, Accessed 10.10.2012

<sup>&</sup>lt;sup>47</sup> Interview with Kenan Öztürk, President of TÜMTİS, Aksaray-Istanbul,01.11.2012

brought parties closer. It is also necessary to note that local union's determinant struggle attracted sympathy from the unions in all parts of the world that could transfer money support, and organized actions<sup>48</sup>.

ITF coordinated transnational campaign very closely collaborating with TÜMTİS in a day to day basis. ITF Road Transport Section Secretary Mac Urata was responsible for the coordination of the campaign. ITF recruited two project managers to work for TÜMTİS in Istanbul. These managers could struggle together with workers in picket line, educate employees, make research on the company, report all developments to international office with regard to the struggle and act as a bridge between local union, global union and the American union. TÜMTİS even did not have an English spoken staff but employing managers to coordinate international campaign, problems could be solved more easily<sup>49</sup>.

ITF's 42<sup>nd</sup> General Assembly in Mexico in August 2010 also had a turning point for the transnational campaign. TÜMTİS President Kenan Öztürk addressed to the Assembly and asked for international support. Also TÜMTİS proposed a Resolution for the campaign. This proposal approved by the Assembly. However as Öztürk mentions, TÜMTİS had to perform great effort to express their campaign and convince delegates. As a consequence of these efforts, the UPS Turkey campaign could be discussed and delegates did not deal with this issue just an article of long list of the agenda<sup>50</sup>.

The ITF also called for international day of action to protest UPS on September 1, 2010. In 40 cities of many countries, including the USA, The Philippines, Australia, India, Japan, Korea, Hong Kong, Norway, Russia, South Africa, Dubai, Belgium, UK, Germany, Cyprus, Mongolia. ITF affiliates protested the UPS offices and demanded from UPS to recognize basic rights of workers<sup>51</sup>. International day of action and new calls for new action plans forced UPS Headquarter in the USA to intervene to the issue. They were disturbed by rising support to the Turkish union that harms the image of the brand. First negotiations were done between ITF, ETF and UPS Europe and then UPS

<sup>&</sup>lt;sup>48</sup> Interview with Kenan Öztürk, President of TÜMTİS, Aksaray-Istanbul,01.11.2012

<sup>&</sup>lt;sup>49</sup> Interview with Kenan Öztürk, President of TÜMTİS, Aksaray-Istanbul,01.11.2012

<sup>&</sup>lt;sup>50</sup> Interview with Kenan Öztürk, President of TÜMTİS, Aksaray-Istanbul,01.11.2012

<sup>&</sup>lt;sup>51</sup> ITF UPS Campaign Website, <a href="http://www.itfglobal.org/campaigns/ups-justice.cfm">http://www.itfglobal.org/campaigns/ups-justice.cfm</a>, Accessed 10.10.2012

Turkey management and TÜMTİS began negotiation process. The consequence of these negotiations was signing the protocol between parties covering almost all demands of the union.

# 5.2.2 The Support of the European Trade Unions for the TUMTIS Campaign

The ETF supported the UPS campaign very strongly. The reason of this support might be either the spirit of international solidarity which European transportation workers had a strong tradition of solidarity since the 19<sup>th</sup> century or they were more willingly to challenge a US-based company. The answer could be understood well by following the recent, ongoing struggle of TÜMTİS to organize Deutsche Post-DHL. ETF officers accept that aggressive policies of UPS in European market and its anti-union attitude in most European countries including the UK and Germany, ETF affiliates had a negative approach towards UPS and this negative feeling could motivate and mobilize to support resisting Turkish workers<sup>52</sup>. Öztürk distinguishes the attitudes of ETF affiliates. For him, some trade unions, for instance Belgian union, expressed their solidarity sincerely however some other trade unions did not support much and they did not have much interest on the solidarity<sup>53</sup>.

The European Works Council of the UPS actively supported the campaign as well. the late president of the EWC and the vice-president of the EWC, who retired after the campaign contributed to the campaign by using EWC meetings effectively. The ETF officers claim that TÜMTİS was lucky that if EWC President and Vice-President were not unionists at that time, it would be much difficult to mobilize the EWC. Through EWC, demands of the campaign could be expressed to the UPS Management and trade unions from all European countries could be informed by the reasons of the campaign. EWC also had a positive role in organizing international day of action<sup>54</sup>.

<sup>&</sup>lt;sup>52</sup> Interview with Christa Teller, ETF Officer, Brussels, 06.10.2012

<sup>&</sup>lt;sup>53</sup> Interview with Kenan Öztürk, President of TÜMTİS, Aksaray-Istanbul,01.11.2012

<sup>&</sup>lt;sup>54</sup> Interview with Christa Teller, ETF Officer, Brussels, 06.10.2012

#### 5.2.3 Links of the local unions with the U.S. unions

Although TUMTIS gathered support from the ETF affiliates in a relatively short time period, it took much longer to convince the US based International Brotherhood of Teamsters (IBT) to support TÜMTİS. IBT is the strongest trade union present in UPS Headquarter. At the beginning, IBT was suspicious towards TÜMTİS because they did not have much information about TÜMTİS and had a negative opinion towards TÜMTİS with regard to its militancy. Additionally they were disturbed by the mobilization of the European trade unions by having the impression that the reason was being against American capital. IBT also opposed to the Resolution in the General Assembly to support TÜMTİS and ITF's proposal for international day of action. However as a consequence of intense efforts of TÜMTİS and ITF, IBT changed its attitude. TÜMTİS could convince IBT with its sincerity and struggle. This could be done by constant and detailed communication together with TÜMTİS, ITF, ETF and IBT. This was generally done by the teleconferences done at least once in almost every two weeks that provided opportunity for TÜMTİS to express itself. Additionally, efforts of project managers had positive impact over IBT. Policy change of IBT had a turning point for the campaign and IBT's active participation to the campaign after the international day of action could provide opportunity to reach directly to the UPS Headquarter. Rising pressure over UPS from the USA and Europe forced UPS to accept negotiations and recognize the local union to solve the dispute<sup>55</sup>.

#### **5.2.4 Relations with the NGOs**

In UPS campaign, there was no any coordinated campaign with issue-based civil society organizations in national and transnational levels. Despite the support from various unions and civil society organizations, a distinct solidarity platform was not formed. TÜMTİS, ITF and ETF together with IBT focused on mobilizing affiliate unions in other countries to support Turkish UPS workers' struggles by organizing actions.

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<sup>&</sup>lt;sup>55</sup> Interview with Christa Teller, ETF Officer, Brussels, 06.10.2012; Interview with Kenan Öztürk, President of TÜMTİS, Aksaray-Istanbul,01.11.2012

However in DESA and Novamed Campaigns, support of civil society organizations had crucial importance over the fate of the campaign.

### 5.2.5 TÜMTİS and social dialogue

ETF accepts social dialogue policy and promotes it in its activities however TÜMTİS does not support the social dialogue policy, has a critical attitude towards social dialogue. TÜMTİS does not use "social dialogue" concept in its publications and criticizes this policy in meetings of ITF and ETF. According to TÜMTİS, without struggle with support of workers in workplaces, it would not be possible to negotiate and conduct dialogue with employers. Employers and employees share different interests<sup>56</sup>.

#### 5.2.6 The end of the Campaign

As a consequence of well-orchestrated international campaign together with ITF, ETF, IBT and TÜMTİS, UPS signed a protocol with TÜMTİS on 24<sup>th</sup> January 2011 and the majority of dismissed members were reinstated, the rest could take severance pays and TÜMTİS could freely organize employees after a nine-month struggle. (McGrath and Dinler, 2011, p. 373) And a short time after the protocol, TÜMTİS could pass the legal threshold, gained the support of the majority of employees and started collective bargaining process and collective agreement was signed by securing basic rights of workers and raised wages.

#### **5.3** The Case of the DESA Campaign

As in the UPS case, at the end of the DESA Campaign, corporation accepted to recognize the union and reinstate some of the dismissed union members, however trade union could not convince employer to reinstate all dismissed workers and could not

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<sup>&</sup>lt;sup>56</sup> Interview with Kenan Öztürk, President of TÜMTİS, Aksaray-Istanbul,01.11.2012

conclude the second phase until 2013. But as a consequence of the follow up process of the campaign, union could maintain its organization at workplaces.

DESA is one of the leading leather companies in Turkey. It works as a subcontractor for many international brands such as Prada, Marks and Spencer, El Cortes Ingles, Mulberry. Company has 3 plants in Istanbul, Düzce and Çorlu. Unionization efforts at DESA began in April 2008 and the management's respond was to dismiss forty members from Düzce plant and one female worker from Istanbul plant. 41 workers initiated picket line in front of two plants. Deri-Is and its global union ITGLWF<sup>57</sup> initiated a transnational campaign. Additionally the struggle of Mrs. Aslan alone in front of Istanbul plant and the oppression towards her with various means including kidnapping her daughter attracted attention of feminist movement in Turkey and CCC<sup>58</sup> in European level. The common campaign together with local union, global union and civil society movements could succeed to force TNCs (except Prada) to withdraw their orders by calling DESA to apply their Code of Conducts and audit their suppliers. This campaign forced the DESA management to negotiate with local and global union and on August 24, 2009 parties signed a protocol to recognize each other and DESA accepted to reinstate some of dismissed members and paid severance pays of the rest.

# **5.3.1** Coalition Building Process among Local Union-Global Union-NGO Relations

The ITGLWF was a relatively small global union with regard to its staff and sources. Its late General Secretary, Neil Kearney, actively followed and led the campaign from the beginning together with its affiliate, Deri-Is. Kearney sent warning letters to DESA employers, came to Turkey many times for this issue, made press statements, visited workers in picket lines to provide encouragement and negotiated with the employer directly<sup>59</sup>. ITGLWF could not develop global organizing strategies and councils as done by International Metal Workers Federation, the mobility of capital may be a reason but

<sup>&</sup>lt;sup>57</sup> International Textile, Leather and Garment Workers Union

<sup>&</sup>lt;sup>58</sup> Clean Clothes Campaign- a NGO

<sup>&</sup>lt;sup>59</sup> Interview with Mr. Servi-President of Deri-Is, Bostancı-Istanbul, 10.09.2012

also the lack of resources has an important aspect. Therefore ITGLWF preferred to collaborate with NGOs, especially with CCC (Clean Clothes Campaign) to overcome lack of resources to initiate campaigns. (Anner et. al., 2006, p.19)

#### 5.3.2 Lack of Support from Italian Trade Unions

Neil Kearney was a leading figure representing the global union and also an officer in charge of coordinating the interactions between the global union, local union and the CCC. Together with CCC, ITGLWF not only targeted DESA, but also created pressure over DESA's customers. CCC was effective in convincing Marks and Spencer and ITGLWF affiliate Spanish union CC.OO was effective in convincing El Cortes Ingles to stop giving orders to DESA. Therefore ITGLWF's policy on supporting its affiliate in its organizing activities through campaigns and aim to work together with civil society organizations and local union's willingness to work together with local solidarity platforms, particularly organized by feminist organizations, a broad based coalition could be successfully formed.

Nevertheless, the ITGLWF could not mobilize its Italian affiliates. DESA's main customers were Marks and Spencer from UK and Prada from Italy. While M&S stopped ordering from DESA as a consequence of the transnational campaign, Prada insisted on working with DESA. Even Prada could take advantage of the campaign by decreasing costs of products. Deri-Is and ITGLWF called Italian unions to take this issue in their agendas, convince Prada to take step further but this did not occur. According to Deri-Is, Italian trade unions acted in a nationalist way and defended their country's brand instead of demonstrating labor solidarity<sup>60</sup>.

ITGLWF could not give material and financial support to its affiliate. Deri-Is did not have an English-spoken staff and tried to solve language problem with its own sources. Also this was the first experience for Deri-Is to organize a transnational campaign. Additionally DESA is the largest company in its sector with almost 2000 employees and this was almost equal to union's total number of members. Union has organizational

<sup>&</sup>lt;sup>60</sup> Interview with Mr. Servi-President of Deri-Is, Bostancı-Istanbul, 10.09.2012

power in small and medium scale companies and this was also the first attempt to organize a large firm that could double its membership number<sup>61</sup>. While TÜMTİS could enjoy material support from its global union ITF, Deri-Is had to spend its own sources to continue picket line and at the end, local union had to sell its property to finance the "resistance". While ITF recruited two staffs, one was US citizen and other was a Turkish PhD student from UK to work in Istanbul office of TÜMTİS to coordinate campaign, ITGLWF could not provide such opportunity. However General Secretary's visits and attempts could overcome many obstacles.

# **5.3.3** Involvement of Civil Society in National and Transnational Levels: Bringing Dynamism

In the case of DESA, the union could form a coalition with issue-based civil society organizations both at national and transnational levels. At the transnational level, CCC (Clean Clothes Campaign) involved the campaign and together with ITGLWF, both organizations worked coordinately. CCC is a network of trade unions and NGOs operating in 15 European countries since 1989. CCC organizes campaigns to secure workers' rights, educates and mobilizes consumers and lobbies over companies and governments. CCC focuses on garment and sports industry and not only the workers' rights but also emphasizes gender issues. (CCC Web Site, 02.09.2012) CCC had an active role in making pressure over Marks and Spencer which is one of the main customers of DESA. CCC also worked in Italy to convince Prada but Italian company did not respect to such calls. Participation of CCC added activism to the campaign where ITGLWF focused on more bureaucratic means that both could complement each other. CCC organized street actions in Italy and other countries, invited Emine Arslan who was picketing alone in Istanbul plant to European countries to address in conferences and events organized to express solidarity with DESA workers. 62

In national level, a Solidarity Platform was formed by feminist organizations. This platform had a great sympathy to struggle of Emine Arslan who were resisting alone in

<sup>&</sup>lt;sup>61</sup> Interview with Mr. Servi-President of Deri-Is, Bostancı-Istanbul, 10.09.2012

<sup>&</sup>lt;sup>62</sup> Interview with Mr. Servi-President of Deri-Is, Bostancı-Istanbul, 10.09.2012

front of the Istanbul plant. She refused money offers from corporation to quit her struggle, her daughter was tried to be kidnapped but this lady, who were just to retire without any previous experience for unionization, insisted on her cause, acted together with the Union and had a great impact over the fate of struggle. Other 41 workers were picketing in Düzce facility however it was far way from Istanbul and public attention was concentrated on the struggle of Mrs. Arslan. Solidarity Platform organized actions and events together with the union or independently. The relation was coordinated by Union's officer who was also active in feminist movement. Therefore it could be easier to understand each other well<sup>63</sup>.

#### **5.3.4** The End of the Campaign

The continuous relation between local union, local solidarity platform, global union and CCC could be maintained until the protocol was signed. Over 1 year, various events were organized and a public attention could be earned. These campaigns also forced some TNCs to stop ordering to DESA with the fear of such campaign that might target them as well. Union's officer was a key actor in organizing the campaign and establishing relations with each other. Her position in the Union and being activist of feminist movement led them to formulate common policies more easily. She can be actively involved in all events and activities which were organized jointly or independently. Novamed struggle inspired these people and movements to collaborate for DESA by drawing lessons from Novamed campaign based on their experiences<sup>64</sup>.

As a consequence of close collaboration of ITGLWF, Deri-Is and CCC, DESA accepted to negotiate and at the end a protocol was signed between parties whereas DESA confirmed to respect union rights, reinstated some of union members and Deri-Is and ITGLWF declared to give an end to transnational campaign and informed DESA's previous customers about the recent agreement. Additionally DESA employer, Neil

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<sup>&</sup>lt;sup>63</sup> Interview with Mr. Servi-President of Deri-Is, Bostancı-Istanbul, 10.09.2012

<sup>&</sup>lt;sup>64</sup> Interview with Mr. Servi-President of Deri-Is, Bostancı-Istanbul, 10.09.2012

Kearney from ITGLWF and Musa Servi from Deri-Is organized a common meeting in DESA's plants with employees to inform the agreement<sup>65</sup>.

### 5.3.5 Post-Campaigning Period: Still in Defense

Over three years passed after the protocol but Deri-Is could not reach majority altogether in three plants. Main weak side of the transnational campaign was that the Union could not earn support of Italian trade unions to force Prada to implement its Code of Conduct. After the agreement, the confrontation in DESA did not stop, there was no any real peace. DESA management continued to make pressure over members, witnessed their behaviors in the workplace, asked them to resign from the union. Deri-Is had a defensive position, mostly tried to save its organizational power in Düzce and aimed to recruit members from Istanbul plant and when DESA intensified pressure, called for international support. Local union could sustain its organizational power in Düzce plant, could have de facto shop steward in that plant, could organize protest actions inside and outside of plant, could ask for some changes and improvements in the workplace and some of them could be done however union could not form a sustainable organization in Istanbul plant. ITGLWF continued its support however after the protocol in 2009; ITGLWF could not follow up the issue permanently. Four negotiations were held between parties, ITGLWF send some warning letter to DESA and local union organized street actions in Turkey and in some European countries to protest anti-union attitude of DESA, but there were little progress<sup>66</sup>.

One of the reasons from ITGLWF side was the change of leadership. When Neil Kearney passed away, Patrick Itschert became the new general secretary of ITGLWF in 2009 and Itschert had two negotiations with DESA employer. In June 2011, he left his post to Klaus Priegnitz and Priegnitz also had two negotiations with the employer. And in June 2012, ITGLWF dissolved itself and emerged with other two global unions by establishing IndustriALL Global Union and Kemal Özkan, Assistant of the General

<sup>&</sup>lt;sup>65</sup> Report on Our Activities in DESA, <a href="http://www.deri-is.com/diger-konular/262-report-on-our-activities-in-desa-duezce.html">http://www.deri-is.com/diger-konular/262-report-on-our-activities-in-desa-duezce.html</a>, Accessed 10.09.2012

<sup>666</sup> Report on Our Activities in DESA, <a href="http://www.deri-is.com/diger-konular/262-report-on-our-activities-in-desa-duezce.html">http://www.deri-is.com/diger-konular/262-report-on-our-activities-in-desa-duezce.html</a>, Accessed 10.09.2012

Secretary of IndustriALL Global Union took over the responsibility to conduct with DESA. With each new secretary, Deri-Is had to explain all process one again and tried to convince secretaries to follow up the DESA case and support Deri-Is in overcoming problems. Additionally, with Klaus Priegnitz, the ETUF:TCL (European Trade Union: Textile, Clothing and Leather) involved to this issue and Priegnitz and ETUF:TCL General Secretary Luc Triangle intervened together. Main reason for the involvement of the European federation to convince Italian unions to support Deri-Is and call Prada to stop giving orders to DESA<sup>67</sup>.

#### 5.3.6 Common Discourse of Union and Employer: Social Dialogue

Deri-İş used "social dialogue" concept very frequently in its statements to call DESA to stop pressure over union members, respect basic rights and start negotiations. Not only to DESA, Union also called Düzce mayor and management of the Industrial Zone to respect social dialogue and act as an intermediary instead of oppressing workers and supporting DESA when gendarme took members in custody twice and management of Industrial Zone did not let them to enter the Industrial Zone<sup>68</sup>. Social dialogue concept was used to expose DESA to its customers/TNCs which declared Code of Conducts and expressed their commitment on social dialogue. Deri-İs used "social dialogue" concept to legitimize the start of negotiations and sign protocol with DESA. According to Deri – Is, DESA is bind by Turkish legislation but as an international player, DESA should respect international standards and should negotiate with union from the beginning<sup>69</sup>. From the DESA side, "social dialogue" also was widely used. In its all answers to letters of global union and CCC, DESA repeated very frequently its commitment to social dialogue. DESA also mentioned many times that despite the legal requirements, they accept to negotiate with local union, listen their demands just because of their policy of social dialogue. DESA management used "social dialogue" and negotiations to stop any threat of a new transnational campaign that harms image of DESA<sup>70</sup>.

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<sup>&</sup>lt;sup>67</sup> Interview with Mr. Servi-President of Deri-Is, Bostancı-Istanbul, 10.09.2012

<sup>&</sup>lt;sup>68</sup> The Statement of Deri-Is, Deri-Is Archive, 16.05.2008

<sup>&</sup>lt;sup>69</sup> Interview with Mr. Servi-President of Deri-Is, Bostancı-Istanbul, 10.09.2012

<sup>&</sup>lt;sup>70</sup> Interview with Mr. Servi-President of Deri-Is, Bostancı-Istanbul, 10.09.2012

#### **5.4** The Case of Novamed Campaign

Novamed Campaign was one of the first attempts of Turkish union to organize in Free Trade Zones where right to organize had been legally banned at the beginning of establishment of such Zones. Campaign could earn support of public as a consequence of coordinated activities of local and Global Union together with the German union and feminist organizations and could pass the first phase by forcing TNC to sign collective agreement however could not gain support of majority of workers and could not renew the Collective Agreement. (Kurtoğlu and Fougner, 2010)

Novamed is a German company producing medicines in Antalya Free Trade Zone. It is affiliated with a German monopoly, Fresenius Medical Care. In the company, most of the workforce was female. Petrol-Is (Petroleum and Chemical Workers Union) started its activities in March 2005 and majority of workers were recruited in April 2006. Employer learned unionization on April 19, 2006 and tried to get rid of the union. However at that point, Union had passed the legal threshold, and gained "the certificate of competence" from the Ministry of Labor and Social Security to initiate collective bargaining process. Employer from one hand began to force members to resign and from the other hand, employed more 60 workers to decrease the percentage of union members over total workforce to less than 50 %. However because the Union had the legal certificate, parties started to bargain but employer refused to reach an agreement and as a legal requirement Union had to declare strike. Management thought that Petrol Is had the support of minority of employees and corporation tried to force union to initiate strike, so a failure of the strike would destroy all organizational strength of the union. According to the law, these negotiations have a limit and after the declaration of the strike, employees need to vote in order to decide whether there would be strike or not. Interestingly, employer called non-members to vote in favor of the strike and union called its members to vote against the strike. When majority voted for the strike, Union had to initiate the strike with its members. Employer's aim was to destroy all prestige and organizational strength of the union<sup>71</sup>. Petrol-İş had to initiate the strike on September 26, 2006 with 84 workers. 82 of them were female workers so the strike was

<sup>&</sup>lt;sup>71</sup> Interview with Mr. Bulut, Officer for Foreign Affairs, Altunizade İstanbul, 04.09.2012

known as a strike of female workers in the public. Petrol-İş decided to initiate a transnational campaign to find a solution to this unpromising strike. Global union, ICEM and its German affiliate IG BCE actively supported the strike of women workers. Also civil society organizations, especially the feminist organizations formed solidarity committees. International delegations visited the strike and international public awareness was attracted. As a consequence of the campaign, Novamed management accepted to negotiate with the union and on December 18, 2007, parties signed collective agreement and by January 2008, all employees in strike went back to work. However, as a result of the polarization among employees, Union could not gain the majority at the end of the term of the Agreement and could not renew the agreement<sup>72</sup>.

#### 5.4.1 Local Union-Global Union-German Trade Union Relations

Petrol-İş is one of the strongest trade unions of Turkey with regard to its number of members and financial sources. It has been signing collective agreements with many private middle and large scale companies and with largest state owned enterprises of Turkey in petroleum and chemical sectors such as Turkish Petroleum (TPAO), PETKIM, TÜPRAŞ and BOTAŞ. Petrol-İş is also one of the most institutionalized unions of the country. There is a well experienced foreign affairs department with two full time officers just dealing with international relations. Petrol-İş is an active affiliate of ICEM and has capacity to organize international events with its own sources. Petrol İş was also responsible for the Turkish web page of ICEM<sup>73</sup>. (Kurtoğlu and Fougner, 2010)

ICEM's official policy on organizing supply chains of TNCs had a positive impact over ICEM's and EMCEF's decision to support Novamed strike. Petrol İş contributes to the global labor movement with regard to its own policy to organize in TNCs. ICEM Executive Committee had a meeting for supporting Novamed workers and accepted a resolution on Novamed strike on 10<sup>th</sup> May 2007 and called for transnational solidarity. Petrol İş also send envoys to visit ICEM and its European affiliate EMCEF to inform

<sup>&</sup>lt;sup>72</sup> Interview with Mr. Bulut, Officer for Foreign Affairs, Altunizade İstanbul, 04.09.2012

<sup>&</sup>lt;sup>73</sup> Interview with Mr. Bulut, Officer for Foreign Affairs, Altunizade İstanbul, 04.09.2012

the latest developments of the strike. ICEM also called for day of actions to support Novamed striking workers. For instance in ICEM's statement on March 7, 2007, an urgent global day of action was called by ICEM General Secretary Manfred Warda to show solidarity on March 8, International Women's Day. Woman committees of many unions from various countries and European and global unions send their solidarity messages to Petrol İş<sup>74</sup>. International envoys visited the picket line to show solidarity. For instance on 19<sup>th</sup> May 2007, energy sector trade union leaders from Russia, Azerbaijan, Kazakhstan, Moldova and Belorussia visited workers. This delegation consisted of affiliates of ICEM's Interregional Oil and Gas Workers' federation. This was the consequence of the call of the Executive Committee of ICEM. International envoys and sending solidarity messages are effective not only to give moral support to workers but also these messages and visits could spread the information to various countries and damaging the image of the brand<sup>75</sup>.

German trade union, IGBCE actively supported Petrol-İş in its struggle. IGBCE is a strong trade union and has influence over the leadership of ICEM. Therefore, from the beginning, it was easier for ICEM and IGBCE to cooperate and coordinate the campaign. IGBCE also has close relations with Petrol-İş, they visit each others' General Assemblies and this made it easier for German and Turkish trade unions to work together<sup>76</sup>.

# **5.4.2** The End of the Campaign and Post-Campaigning Period: Not Only the Employer Necessity to Convince Employees

International day of actions beginning with 8<sup>th</sup> March forced German company to start negotiations. In September, ICEM, EMCEF and IG BCE had first negotiation with the head office of the TNC and as a consequence of this meeting, negotiations started in Turkey. After two rounds of negotiations in October and November, parties signed

<sup>74</sup> Petrol İş Web Sitesi, Novamed Dosyası, <a href="http://petrol-is.org.tr/etiket/novamed">http://petrol-is.org.tr/etiket/novamed</a>, Accessed 03.09.2012

<sup>&</sup>lt;sup>75</sup> Petrol İş Web Sitesi, Novamed Dosyası, <a href="http://petrol-is.org.tr/etiket/novamed">http://petrol-is.org.tr/etiket/novamed</a>, Accessed 03.09.2012

<sup>&</sup>lt;sup>76</sup> Interview with Mr. Bulut, Officer for Foreign Affairs, Altunizade İstanbul, 04.09.2012

collective agreement on 18<sup>th</sup> December 2007 and striking workers began to work by January 2, 2008<sup>77</sup>.

Without the transnational solidarity and public pressure, to organize the strike would have been impossible <sup>78</sup>. Petrol İş, ICEM, EMCEF and IGBCE were able to coordinate the transnational campaign by pressuring the headquarters in Germany, hence, a collective agreement could be signed. However Union could not solve the polarization in the workplace and despite the success of the strike, union could not convince other workers to join the union and three years later when the period of collective agreement ended, union could not renew agreement<sup>79</sup>.

### 5.4.3 Petrol-Is and ICEM Debates on Social Dialogue

Petrol İş union criticized social dialogue policy of ICEM. ICEM General Secretary Manfred Warda received a letter from Petrol İş President Mustafa Öztaşkın on 26<sup>th</sup> December 2008 on the social dialogue policy of ICEM. Öztaşkın stated that:

"We have been observing that the term 'social dialogue' is frequently inserted into the texts of the documents and news which are published on the ICEM website. One who reads the text gets the impression that 'social dialogue' is the dominant element of the ICEM strategy. (...) I do find it wrong. (...) What I find wrong is that a strategic approach adopted by part of union movement in Europe sounds as thought it is the strategic approach of a global federation. (...) The policies and strategies towards unions, for example, being implemented by TNCs in many continents and countries, aren't the same policies and strategies as in Europe. (...) a basic issue needs to be discussed and debated within the ICEM, *in particular, under the current grave global crisis of capitalism*." (Petrol-İş, 2008)

Warda responded this letter two months later on 23<sup>rd</sup> of February 2009 (Ref: ICEM09/ENLT/15) as follows:

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<sup>&</sup>lt;sup>77</sup> Interview with Mr. Bulut, Officer for Foreign Affairs, Altunizade İstanbul, 04.09.2012

<sup>&</sup>lt;sup>78</sup> Interview with Mr. Bulut, Officer for Foreign Affairs, Altunizade İstanbul, 04.09.2012

<sup>&</sup>lt;sup>79</sup> Interview with Mr. Bulut, Officer for Foreign Affairs, Altunizade İstanbul, 04.09.2012

"I am disappointed with your assertions regarding social dialogue. (...) It not only assures the proper and necessary conditions for bargaining and mobilizing our members, but it plays a meaningful role in shaping national and European policies. (...) mean sound and constructive relationships with companies at the global level. (...) I would claim that the mechanisms of the ILO, as well as our relationships with companies (for example, those in which we have Global Framework Agreements with) have helped us great deal in safeguarding and advancing the interests of workers. (...) conflict with Fresenius in Antalya provides a good example that we are not obsessed with using only the mechanism of social dialogue." (Petrol İş, 2009)

Petrol-İş insisted on its position regarding "social dialogue with TNCs". Union's proposal to the Congress, titled in November 2011 as "European Transnationals' Labor Policies Outside Europe" was accepted by delegates. Petrol İş referenced to the Human Right Watch report issued in 2010 claiming that European TNCs "forget" their sensitivity to union rights outside Europe. Union accused these TNCs to have double standards and gave examples from Fresenius/Novamed and Bericap from Germany and Faurecia and Demo from France. "Transnationals exploit the loopholes and shortcomings in Turkish labor law and violate international labor norms." (Petrol İş, 2011)

#### 5.4.4 Coalition of Labor and NGOs to Encounter TNCs

Novamed campaign was one of the first pioneering campaign that trade union and issue based civil society organizations could collaborate for a long time to achieve victory for a certain labor struggle. Novamed strike was known as a strike of women workers and women workers decided to unionize to encounter company's ongoing pressures and discriminations generally based on gender issues. For instance workers had to consult and ask for permission from management before getting pregnant. These instances attracted the attention of feminist organizations and many solidarity platforms were formed to support Novamed strike in Istanbul, Ankara, Izmir and Adana. They had spontaneous actions and also they visited striking workers in Antalya<sup>80</sup>.

<sup>&</sup>lt;sup>80</sup> Interview with Mr. Bulut, Officer for Foreign Affairs, Altunizade İstanbul, 04.09.2012

Feminist organizations' involvement spread the information about strike to general public opinion. Large masses were informed and German company was exposed. The coordinated campaign between solidarity platforms and the Union was leaded by a well known feminist author/activist who is responsible for the publication of woman's magazine of Petrol İş<sup>81</sup>. This also eased for feminist organizations to engage a campaign with a trade union which could combine labor and gender issues together<sup>82</sup>.

Not only the leadership of ICEM, EMCEF and IG BCE participated to the international campaign but also woman committees/sections of global and European federations and their national affiliates actively supported and showed their solidarity with various means. In DESA case, global and European unions' involvement did not expand to the lower apparatus of these organizations. But in Novamed case women trade unionists actively supported the campaign<sup>83</sup>.

### 5.5 Comparative Evaluation of the Cases

#### 5.5.1 The Organizational Strength of the Local Unions

When the three cases included in this thesis are analyzed, some common characteristics that had crucial effect over the success and the failure of campaigns prevail. First of all, the organizational strength, motivation and mobilization of workers in local-workplace level have crucial importance in the success of the campaigns. The fate of the campaign is determined by the organizational strength and capacity of local workers/local union to continue the campaign. Transnational solidarity has secondary importance that would complement local struggle to achieve success by removing some barriers from the front of the organizational efforts of employees. These barriers may be legal standards or may be anti-union attitudes of employers. Transnational campaign over TNCs and suppliers through public pressure may influence corporations to change their behaviors. In the

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<sup>&</sup>lt;sup>81</sup> Petrol İş is the only Union which publishes regular woman magazine in Turkish labor movement. Other Unions generally focus on woman issue as a part of their regular magazines but Petrol İş has distinctive character in its relation with the gender policy. A full time officer on this issue could sustain regular educational activities on gender issues and continue publications over this issue.

<sup>&</sup>lt;sup>82</sup> Interview with Mr. Bulut, Officer for Foreign Affairs, Altunizade İstanbul, 04.09.2012

<sup>&</sup>lt;sup>83</sup> Interview with Mr. Bulut, Officer for Foreign Affairs, Altunizade İstanbul, 04.09.2012

UPS case, local union's organizational strength and capacity could accelerate unionization activities when UPS management accepted to quit harassment and start negotiations. First phase could be completed through common efforts of struggles in the workplace and transnational support. When the second phase was started, the crucial role is on workers to prepare conditions to start bargaining process. However in the Novamed campaign, transnational public pressure could force corporation to sign collective agreement but in the second phase, local union's organizational capacity could not convince other employees to be union members and at the end of the term, union could not protect its organizational power. In the DESA case, after the campaign, union's organizational power in the workplace was not strong enough to overcome legal threshold but did not let corporation to destroy all organizational power.

# **5.5.2** Sharing Common Policies of Global Union and Local Union and Support of the Home Country Union of TNC

The three cases of transnational campaigns in Turkey demonstrate that another condition for the success of the transnational is the presence of common policies and interests between Global Unions and local union. There may be other organizations in the coalition of the campaign but the two main pillars of the campaign are the local union and the Global Union and their effort to cooperate and coordinate the campaign. Three cases could earn support of Global Unions as a consequence of Global Unions' policies to organize TNCs and their suppliers. This policy encourages local unions to mobilize their forces to unionize TNCs and their suppliers. In the most successful one, the UPS case, common policies and goals are more clearly defined as TÜMTİS and ITF had common meetings in Istanbul to start organizing in global delivery campaigns before TÜMTİS began unionization activities. Determining common concrete goals would make things easier to conduct problems. However in other two cases, Global Unions had to deal with struggles of workers after the open efforts of corporation to destroy organizational strength of unions in workplaces. All these Global Unions have a full agenda and any immediate call would not be responded effectively and it would take time to prepare for an effective campaign.

The support of home country trade unions of TNCs also has crucial importance in the fate of campaigns. These unions generally own the strongest presence within the corporation and could have direct relations with the management of TNC at headquarter. They could deal with TNCs and convince them to take positive actions towards respecting labor rights. IBT's involvement in the UPS Campaign and IGBCE's support in the Novamed campaign could open new ways of communication to find solutions. While IBT decided to support in the later period of the campaign, IGBCE supported earlier. However in the DESA case, Italian trade unions could not/did not support the campaign. Involvement of the home country trade union is a complicated issue that these trade unions may not prefer to disturb their mutual relations with the headquarter of TNCs and does not necessarily solve problems of so many similar demands coming from all parts of the world. At this point, the attitude of the Global Union would have impact to convince and mobilize home country trade union.

#### **5.5.3** Involvement of the Civil Society Organizations

Involvement of the civil society organizations would bring dynamism, activism and militancy to campaigns. These activities could attract attention of public and media much easily and would apply extra pressure over TNCs. NGOs are issue based organizations and common interests of NGOs and trade unions should be clearly defined. However trade union-NGO relations are also complicated issues. Both parties should have similar concerns, goals and policies to coordinate allied activities. Trade unions and NGOs should speak same language in order to continue activities to the end. Any possible break up in the coalition before the end of the campaign would bring extra disadvantage for the fate of the campaign. In the UPS case, there was no any distinct solidarity platform and independent-coordinated activities of civil society organizations. Many civil society organizations supported the campaign but it was lead and guided by trade unions. However in the DESA and the Novamed cases, intervention of civil society organizations changed the direction of the struggle. At the beginning of the conflict, local union and workers were at very disadvantaged position and their struggles were not promising any hope to win. But after the involvement of civil society organizations, especially the feminist organizations, their dynamism and activism

resulted with the more pressure over TNC and their suppliers. DESA signed protocol and Novamed signed collective agreement with trade unions to avoid more public pressure mainly sourced by civil society organizations. Civil society organizations in these three cases, did not participate from the beginning. In the later period, when they were informed about specific realities of struggles, they tend to support from outside at the beginning and then participate directly by building coalitions. For instance, feminist organizations involved to Novamed campaign because 82 of 84 workers in strike were female workers and their main motivation of unionization was to avoid gender discrimination in the workplace. This struggle easily converted to a common struggle of trade union and feminist movement. In the DESA case, picketing of one woman worker, Mrs. Arslan in Istanbul plant and her persistent resistance against all kinds of pressure earned sympathy of the public and feminist organizations hailed and symbolized her struggle. At the same time, there were more 41 workers in Düzce plant but their struggle had a secondary importance for civil society organizations to focus on. In the UPS case, there was no such distinct reason for civil society organizations to involve. 163 workers, almost all were male workers, were picketing for reinstatement which was a classical struggle of Turkish labor movement to encounter harassment towards unionization. Civil society organizations supported this struggle, visited picketing workers but both for trade union and NGOs they did not tend to form a coalition.

#### 5.5.4 The Role of Coordinators of the Campaign

In all these cases, coordinators performed the most important duties of campaigns. Coordinators worked for trade unions as full time officers, followed the local struggle very closely, and reported all activities all violations of labor rights in daily bases by providing concrete evidences that could be spread to public rapidly via the coalition. Their discipline and efforts could strengthen the base of coalition building process. They also could be able to talk same language of all parties of the coalition. Their role in translating interests and motivations of each party of the coalition to each other, coordinate and guide activities had crucial importance. All these activities were done and all elements of the coalition were in different cities of Turkey and different countries. Therefore by standing on the center of the campaign, coordinators gathered

all information, demands and questions from various cities and countries and distributed all information, demands and answers from the local struggle. Maintaining constant relations between local union, Global Union, European Trade Union Federation, home country unions of TNCs and other national affiliates together with civil society organizations in national and transnational levels is a complicated issue which was the main role of coordinator(s) in these campaigns.

#### 5.5.5 Actions, Demonstrations and Visits of Envoys

Actions and demonstrations are one of the most important elements of transnational solidarity campaigns. Sending solidarity letters to workers and writing warning letters to corporation could have partial effect over campaigns however the main and most effective tool of campaigns is organizing actions and demonstrations. In local level, organizing such actions is easier, more frequent and more necessary. Earning support of local people and creating daily pressure over corporation are necessary to achieve demands. Picketing and striking are also daily actions of workers. Workers in local level are in action each day and they organize bigger demonstrations in central districts at almost once a week. However national and international day of actions are important components of these campaigns. Spreading actions and demonstrations to other cities and countries would shame corporations and would force them to reach an agreement with workers. After initiation of such transnational campaign, campaigners should give a clear message to TNCs that this dispute would not be kept in local level, this is converted to an international dispute and corporation would be exposed in global level. Actions and demonstrations are basic way of giving such message. Actions and demonstrations are also clear way of showing solidarity that people from other cities and countries protest TNCs and demand for respect labor rights for workers that they do not know personally. Global Unions' call for international day of actions' main aim is to force headquarter of TNCs to involve in the solutions of the local dispute. These actions and demonstrations do not necessarily bring large masses, most of these actions could be small actions with not many people, however, the declaration of doing actions in tens of countries would apply a stronger pressure over TNCs than each action done in any country. Additionally just one international day of action would not be sufficient.

Global Unions generally declare that there would be international day of actions until the solution of the dispute in favor of workers. Therefore when one of these international day of action concludes, according to the reaction of TNCs, preparation of other action days would be initiated. In the UPS and the Novamed cases, international day of actions could be successfully organized. The UPS' action day was the stronger than the Novamed one, it was better prepared and more unions from more countries participated. In the DESA case, there was no any international day of action but civil society organizations, especially the CCC organized demonstrations and events in the UK and Italy. In the UPS and the Novamed cases, after international day actions, TNCs accepted to negotiate in their headquarter level firstly with the Global Union and home country trade union and then these negotiations continued in Turkey and at the end, parties agreed to sign an agreement.

In transnational solidarity campaigns, Global Unions and their European Federations generally call to their national affiliates to visit picketing workers by forming delegations. Trade union representatives from different countries, journalists, Members of European Parliament may be within these envoys. Additionally Global Union's and European Trade Union's leaders and officers frequently visit picket lines to give direct messages to local managements and the local and national public on the persistence of transnational campaign to support workers. These visits would give moral to workers in struggle and would let them to materialize transnational campaign. These visits are also important for international delegations to understand realities and importance of local struggle and they may learn more about the struggle by directly meeting with workers. These visits also materialize internationalism of workers that workers in picket line and international delegations may learn from each other about similar struggles in other parts of the world and understand that they share similar interests. In all these cases international envoys visited picket lines, addressed to workers, demonstrate their solidarity and more concrete decisions could be taken to intensify campaigns. After these visits; unionists, journalists and other participants give statements to media and their organizations when they return their countries and criticizes the anti-labor behaviors of these TNCs.

# 5.5.6 Importance of a Follow-Up Procedure

When the campaign is concluded by achieving basic demands of workers, participants of the coalition should follow up the processes in the post-campaigning periods. TNCs and their suppliers may accept demands of labor as a result of the joint activities and joint strength of local union and global union with civil society organizations. Therefore in the post-campaigning period, this pressure should continue to reach the second and the more important goal which is to maintain sustainable union chapter in workplaces bind by collective agreement. If coalition is broken up after the campaign, as in the DESA case, corporation may re-initiate mobbing and discrimination towards union members. In the UPS case, as the common efforts began even before the recruitment of members, and common struggles of TÜMTİS, ITF, ETF and IBT could force UPS to recognize the union and reinstate dismissed workers, follow up procedure could be done more easily and a short while after the end of the campaign, TÜMTİS could pass the legal threshold and sign collective agreement. In the Novamed case, strike could be successfully completed that corporation signed the agreement as a result of the pressure however afterwards, Petrol-Is and its feminist allies could not convince other employees to be union members and union could not maintain support of the majority to renew the collective agreement.

## **Chapter 6. CONCLUSION**

Forces of globalization impinge on labor's rights and livelihood as well as the labor movement in multiple dimensions. In many parts of the world, high unemployment rates have became structural problems. Precarious working conditions have destroyed formal work, while bolstering informality associated with severe risks; and inequalities have deepened within and between countries. At the same time, the strength of transnational corporations (TNCs) has increased immensely as a consequence of neoliberal reforms and changes in the international division of labor accompanying the process of globalization. Monopolistic TNCs controlling specific sectors have constructed a hierarchical supply chain in all parts of the world. They have centralized and controlled the world production to a large extent, acquiring unprecedented power to influence decision making processes of national governments. This process of empowering of the TNCs generally works against democratic participation and decision-making procedures. At this conjuncture, new debates emerge on the role and future of the labor movement in the globalization period. Although, it is evident that the organizational strength of the organized labor and its political influence have declined in many parts of the world, new strategies of labor facilitate a revival of the global labor movement in accordance with the new conditions imposed by the prevalent forces of globalization.

This thesis argues that there is a future for the global labor movement, despite the ongoing trend in which labor has lost its power. Paradoxically, the technological revolution in transportation and communication to which TNCs owe their expansion, these improvements also provide new opportunities for the labor movement to interact with each other and act globally in more concrete and effective ways. Today, the labor movement focuses on the weak sides of TNCs and reorganizes itself. On one hand, globalization could weaken the organized strength and political influence of the labor movement, on the other hand, it can provide new conditions to empower the labor movement to target the TNCs. Historically, as trade unions could be able to adopt the new conditions of the Fordist period, re-organized itself in national context and could be

able to sign social contracts within national systems, similar attempts would be done by the labor movement in the globalization period. Local and national unions are increasingly engaged with the global labor movement, and conduct relations with other national trade union centers. Global and regional unions have merged to have a more strength against corporations and international organizations. Transnational networks have been formed within same TNCs and common projects to organize in specific TNCs and their supply chains have been adopted. Global unions coordinate, guide and inform national and local affiliates for certain objectives to raise the voice of organized labor in global level. Global Unions aim to negotiate with TNCs and convince them to sign International Framework Agreements (IFAs) stressing core labor rights. By IFAs, TNCs recognize global unions as representing their total workforce and accept them to obey core labor rights in their own plants and their supply chains. Additionally global unions lobby at international organizations to regulate TNCs and as a result of such attempts, the ILO, the OECD and the EU formulated Guidelines and Policies to regulate and guide TNCs. Not only global unions, but also issue based civil society organizations flowered in all parts of the world monitoring and reporting activities of TNCs and campaigning for labor rights. Trade unions and civil society organizations tend to build coalitions to counter TNCs and force them to respect labor rights.

The three campaigns in Turkey examined in this thesis provide evidence for the new strategies of the labor movement conducted by the collaboration of local and global unions, indicating the role played by transnational solidarity in overcoming challenges emerging at local and global levels. A thorough examination of these cases demonstrates that as analyzed in the power sourcing from coordinated activities of local union, global union, home country union of TNCs and civil society organizations and the dynamism gained through this power facilitated to force TNCs to accept basic demands although the labor movement is weak. These cases and strategies in Turkey and elsewhere are noteworthy because the experiences gathered in these campaigns are constantly shared and new strategies and methods have been applied providing a promising future for the labor to challenge neo-liberal globalization.

All these efforts, policies and strategies have been done in order to support local struggles and change unfavorable conditions in workplaces. When workers wage

struggles in local level, they may face various methods of oppression and barriers. These may be legal barriers as unfavorable legislations for the labor or may be harassment towards unionization by corporations. All these efforts and strategies mentioned above are done in order to avoid these kinds of anti-union practices of employers and governments and provide more fertile conditions for workers to unionize. Transnational solidarity campaign is one of the most effective tools of the labor movement to challenge TNCs and their suppliers. These campaigns are done by coalitions built by local union, global union, home country trade unions of TNCs and civil society organizations in national and international levels and include activism, militancy and dynamism to achieve certain demands. These campaigns are generally organized when peaceful methods of solving problems do not work and when corporation refuses to recognize trade unions. Transnational solidarity campaigns include concrete ways to demonstrate solidarity and target a specific corporation.

Transnational solidarity campaigns, anti-sweat shop/"name and shame" campaigns targeting brand image of TNCs, and anti-globalization movement protesting decision making processes of the neo-liberal globalization have been reacted by TNCs as formulating their Corporate Social Responsibilities and declaring Code of Conducts. These voluntary commitments and policies are done to overcome problems sourcing from public pressure with regard to labor and environmental issues. CSR Departments have been established, auditing and monitoring teams have been formed to conduct with these issues. These are not done solo for avoiding public pressure with regard to labor and environmental issues but also provide conditions for TNCs to systematize their human relations policies, control and guide all production process and consolidate their dominance on the hierarchical supply chains. There are skeptic arguments with regards to CSR and CoCs within the labor movement but workers generally use these policies and formulations to force TNCs to intervene to local disputes. Developments in the CSR also produced a new industry as many private auditing and monitoring companies and multi-stake initiatives have been formed to monitor suppliers with regard to their practices with their workforce and environment. These initiatives may fill the gap in international labor law from one hand and from the other hand may raise questions as these initiatives may privatize labor relations and undertake responsibilities of states. It is also necessary to note that international organizations generally adopt binding

regulations in trade however do not tend to formulate binding agreements with regard to labor, instead they prepare guidelines and labor movement target these organizations to take concrete and binding steps.

There is a long way for the labor movement to re-organize itself. This phase is preparation for the labor movement to elaborate ways and policies of struggle to overcome challenges. Combining struggles and activities of Global Unions with the grassroot movements, not only conducting relations of trade unions from developing countries with the ones from the developed countries, but also building coalitions between trade unions and civil society organizations from developing countries could overcome previous debates on the power structures of the global labor organizations and relations between unions from developed and developing countries. Additionally, in the course of current crisis and continuous implementations of austerity measures, debates occur to question social dialogue policies of the European trade unions and other corporatist/reformist policies. As a consequence of the opportunities for local labor to rise their voices and more campaigns to support local struggles of workers would also shape policies and strategies of the labor movement with regard to neo-liberal globalization.

## **INTERVIEWS**

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Christa Teller, ETF Officer, Brussels, 06.10.2012.

Fahmi Panimbang, Asian Monitor and Research Center, Project Manager29.10.2012.

Gün Bulut, Officer for Foreign Affairs, Petrol İş, Altunizade İstanbul, 04.09.2012.

Kemal Özkan, Assistant General Secretary of IndustriALL Global Union, Copenhagen, 20.06.2012.

Kenan Öztürk, President of TÜMTİS, Aksaray-Istanbul, 01.11.2012.

Matti Koskinen, Pro Trade Union, Copenhagen, 20.06.2012.

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