### STRUGGLE OF TRADE UNIONS AGAINST SOCIAL DUMPING

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#### **ABSTRACT**

In the context of modern globalization, transnational corporations (TNC) use social dumping in their practice, which is expressed in the export of low-quality economic resources, political ideas or sociocultural values for their own advantage to underdeveloped

countries. The authors of the article, using examples from the activities of international transport unions, show their struggle against such dumping, in defense of the labor rights of wage workers, as well as attempts to establish mutually beneficial cooperation between trade unions, business and government.

<u>Keywords:</u> globalization, transport trade unions, international transport workers' federation (ITWF), social dumping, transnational corporations, trade union struggle strategy, labor rights of workers.

**Background.** Dumping is sale of goods and services at artificially low prices. In international vocabulary, the category «dumping» is used as a synonym for unfair competition, which involves affecting the prices of exported goods in order to eliminate competitors, seize foreign markets, and obtain a high profit.

Social dumping is defined as an expression of the freedom of market relations between the participants in the world economic system in the process of exporting low-quality economic resources, political ideas or sociocultural values in order to obtain benefits corresponding to the goals. Social dumping refers to the most complex variety of game on a foreign territory, its consequences are most destructive for states with a relatively weak economy, pronounced social polarization and stratification of the population, a complex demographic situation and a deformed social consciousness. In practice, social dumping as a phenomenon is increasingly penetrating the world labor market and its regional centers.

**Objective.** The objective of the authors is to consider struggle of trade unions against social dumping.

**Methods.** The authors use general scientific methods, comparative analysis, evaluation approach, scientific description.

### Results.

1.

Globalization has become a self-extracting factor of modern social development. Today, serious changes are taking place in the world, accompanied by the transfer of production from developed countries to regions with a lower social level which is used by transnational corporations (TNC) through the methods of social dumping. Under the pretext of increasing productivity and competitiveness, TNC are exerting a lot of effort to emasculate social legislation aimed at protecting the rights and interests of workers, occupational safety and the environment. These processes lead to the dissociation of workers, a reduction in their ability to protect their rights, hinder the union of hired workers in trade unions and the activities of trade unions themselves.

The transfer of the main part of the production of goods and services by TNC to countries with weak social and labor legislation and trade unions removes them from the sphere of operation of the established national collective agreement systems. The previous order of collective bargaining and collective agreements is being violated. The national (general) agreements lose their former importance and the center of gravity of the collective bargaining struggle moves to the sectoral and even local level of the enterprise (firm), which, naturally, reduces the opportunities for trade unions to achieve some joint results.

Recently, the actions of TNC on application of social dumping methods have been reflected in the forms of borrowed labor, which include outsourcing. This new business technology can reduce social costs and modernize companies. When outsourcing, parent companies deduce part of the jobs for the enterprise staff (including other countries), i.e., they transfer a certain service function to another structure. It can be first protection, then a canteen, maintenance of elevators, etc. Sometimes entire shops are taken out of a weakening of integrity of a trade union. As a rule, in connection with outsourcing, a trade union ranks are significantly thinning out.

The application of the noted forms and methods of social dumping by TNC poses a serious challenge to the world trade union movement, including the International Transport Workers' Federation (ITF), which unites 700 national trade unions representing about 4,7 million workers from 150 countries worldwide [1].

Today, the activities of ITF to address social dumping problems are focused on implementation of the strategy «Organizing globally, fighting for workers' rights», approved by the Congress in Durban in 2006. The strategy is aimed at increasing the influence of trade unions, setting goals that would ensure better strategic positions for transport workers in the global economy, including at enterprises of international transport operators, in global or regional transport hubs, sensitive chains of transcontinental supplies.

During the implementation the strategy «Organizing globally» has already brought its results. Among them – creation of inter-sectoral trade union networks of the ITF, which allow its organizations to effectively work to protect the rights of trade unions and combat social dumping.

2

The program of work with postal and transport corporations of sections of road transport workers and civil aviation of the ITF has led to the emergence of intersectional networks in companies such as DHL, UPS, Fed Ex and TNT. The trade union network at DHL operates as part of a joint program with the Global Postal Workers Federation UNI.

The ITF affiliate, the German trade union Ver.di has taken the lead in creating a network of trade unions in the triangle of transport hubs of DHL Wilmington–Leipzig–Hong Kong. After a meeting of trade union representatives at the European air transport hubs, DHL in London organized a network of union members working in six of eight major DHL hubs in Italy, France, Denmark, Germany and Belgium.

Even at the initial stage of their activities, ITF trade union networks in the field of postal and transport companies showed their potential. In April 2006, TNT Corporation announced the sale of its logistics direction.





The union network immediately took up the action «For Justice in TNT» in order to put pressure on the company and get guarantees for preservation of jobs, working conditions and trade union rights. The action was mainly in the form of electronic conferences. The address website worked. The ITF conducted a dialogue with the headquarters of TNT Corporation in The Hague, in which the unions of the Netherlands, the United Kingdom and the United States participated. In the final analysis, the dialogue concluded with a concrete agreement [2].

In 2008, the organizational development of the ITF inter-sectoral trade union networks in the field of postal and transportation companies continued [3]. At the end of July, a seminar was held in Guatemala, in which several affiliates from both Americas participated, which considered the organizational work at DHL. Delegations of the European aviation transport and logistics hubs of the DHL network gathered in September of the same year for their third meeting at the ITF headquarters in London. Attention was focused on the creation of the European network of transport and logistics hubs by UPS and at the work of DHL Express in India.

The global action on DHL, a part of the German holding Deutsche Post World Net (DPWN), culminated during the DHL Workers' Week, when the international framework agreement was being prepared. In the spring of 2009, the global social dialogue of the ITF-UNI network of trade unions was launched with the top management of DHL [4].

In 2012, the influence of the ITF-UNI trade union network on the globalized labor market continued to increase. The annual meeting of this network of trade unions was held in London in May with the participation of 100 active members of TNC personnel of global delivery.

The trade union network managed to protect the rights of 24 members of the Turkish trade union Trkiye Motorlu Tasit Is ileri Sendikasi (T MTIS), who were dismissed from DHL Turkey on the basis of charges that the ITF considered fabricated and unfounded. In November, the ITF published the results of an independent investigation into their dismissal, revealing a sophisticated anti-union campaign involving senior executives [5].

An energetic solidarity campaign continued until the end of the year, and on 12 December ITF organizations participated in the International Action Day in support of T MTIS trade union and its struggle to recognize the union and its release from interference and intimidation. At the end of December, the Labor Court found DHL Turkey guilty of dismissing eight employees whose cases had been referred to it. In 2013, the struggle did not weaken [6].

3

In 2012, there was a positive development – the leaders of the network of unions of the ITF-UNI and ordinary activists created a new All-India Coordinating Council of DHL employees, designed to rally their colleagues throughout the country. The new alliance has brought together over a thousand DHL staff members in India, as well as subcontractors and agencies, giving them the opportunity to offer the company's administration a «one-stop shop» for contacts with the union [7].

Through seminars and meetings, the ITF helped trade unions develop an organizational strategy for DHL India. Its administration agreed to participate in the meeting of the Coordination Council in Mumbai. Important issues were discussed: the need to give unorganized workers the same opportunity to express their opinions and complaints, as well as to members of

the trade union, steadily expand communication in the network and conduct campaigns at the national and international level, and continue research, educational programs and vocational training courses.

In the section of the ITF dockers, an international trade union network has emerged that has taken over operators of global terminal networks. Companies APM and DPW joined the project for the port in Mumbai. In the process of work, a global dialogue with APM Terminals was established, negotiations were held with Dubai Ports World (DPW) and PSA. The unions of APM terminal workers in Port Said and Tangier achieved their first collective agreement. Representatives of the ITF network in Egypt supported the formation of a number of trade unions in that country and conducted seminars in December 2012 on «training of trainers» for civil aviation and road transport personnel [7].

In 2008–2009, the inter-sectoral network of ITF trade unions at Maersk enterprises took part in the campaign of the trade union of transport workers and docks (TDWU) for the recognition of the trade union by a group of GTI companies, contractors of a container terminal in the port of Mumbai owned by Maersk [3, 4].

In April 2008, the ITF sent a delegation to Mumbai to investigate incidents of violence against TDWU members in order to force them to join the local «pocket» union Navi Mumbai. The ITF also commissioned a report at the Indian Human Rights Center. And on April 21, 2008, senior executives of the company met with the steering committee of the network of trade unions at the enterprises of Maersk. At the meeting, it was decided to create a joint committee on workers' rights (WRP) to study the situation in GTI companies.

In December, WRP released its report, which indicated that the vast majority of contract drivers in four contract companies are members of the TDWU. As a result, Maersk sent a notice on 2 January 2009 to contractors with information about the results of the investigation and an indication that Maersk expects that these companies will sign collective agreements with this union no later than January 9. None of the companies reacted positively to the letter, and two demanded recognition of the «pocket» trade union Navi Mumbai. In response, Maersk unequivocally announced its intention to break contracts with these contractors. The ITF has clearly stated that both workplaces and the representation of working drivers should be protected.

Operating within the framework of the «Organizing Globally» strategy, the section of ITF railway workers paid special attention to the organizational work in transnational transport corporations in creating intersectoral trade union networks. As a facility for strategic work, the section chose Deutsche Bahn. This is one of the largest players in the railway industry, which expands its activities to other countries, regions and sectors of the economy, including with the help of DB Schenker and logistics.

The section held a number of intersectional trade union activities at Deutsche Bahn, in which the unions of road transport workers expressed their willingness to participate. In 2009, the representatives of the trade unions Transnet (Germany) and FNV Bondgenoten (Netherlands) decided to start the creation of a trade union network. The working group met for the first time in March, and in October in Brussels there was a meeting on organizing in the company Deutsche Bahn Rail [4].

The problems solved by the section with the help of the trade union network are multifaceted and complex. Railion, the cargo department of Deutsche Bahn Logistics AG, implements its ambitious international plans and proposes to take on comprehensive supplies and ensure non-stop border crossings, is ready to carry out structural changes and establish a system of train drivers that ignore national borders. Transport unions opposed this.

The cooperation of the ITF's rail and road transport sections within the joint committee led to the establishment of a trade-union information network in transnational public transport companies, including First Group, National Express, Veolia Transdev.

In 2006, the network comprised 180 members from 65 organizations in 35 countries and was used to exchange information on working conditions, company style of work, trade union reviews, etc., and to mobilize international solidarity forces in the event of labor disputes. In July, the ITF network supported Teamsters and SEIU, which lobbied for the annual meeting of FirstGroup shareholders held in Aberdeen. At the congress in Durban, a coalition of trade union groups, which the network united, made a statement regarding FirstGroup, urging the company to build a lasting and productive partnership with the union [2].

In 2007, the network focused on the company FirstGroup in connection with its anti-union activities in the United States. The strategic meeting that took place at the beginning of the year in London was also attended by SEIU, Teamsters (USA), Transport and General Workers' Union, RMT (UK), SIPTU (Ireland), FNV Bondgenoten (Netherlands) and Transnet (Germany). It was decided to create an ITF solidarity network in FirstGroup to further improve the exchange of information. Coordination between the British and American unions in the fight against FirstGroup was successful. American unions were able to attract more than 3000 bus drivers who previously had no voice in their workplaces and, through joint international action, were able to increase pressure on the company, which was forced to significantly change its anti-union behavior

In 2008, more than 190 activists from 85 trade unions from 43 countries were members of the ITF network for transnational corporations of urban transport. Its activities were characterized by the fact that representatives of trade unions from the UK, the Netherlands, Spain and the US first met together to discuss coordination with the National Express Group. Eventually the latter found that the drivers of intercity buses and the Eurolines network mainly work for third companies, and agreed to consider the possibility of involving them in the trade unions and organizing through the ITF [4].

In May 2009, the second strategic meeting on the company National Express took place in Madrid. The actions of the corporation and its subsidiaries in the UK, Spain and the United States, as well as the company Eurolines were discussed and the issue of establishing a trade union network was raised. It was agreed that a dialogue with the company at the highest level would be held through the ITF and that European colleagues should support organizational work in the United States, where an anti-union atmosphere emerged [4].

In 2012, over 230 activists from 106 trade unions in 55 countries became members of the ITF information network for transnational companies of urban transport.

It continued to monitor the activities of TNC of passenger transport and mobilize forces of global solidarity when labor disputes arise in companies [7].

In May 2012, an international trade union delegation consisting of network representatives attended the annual meeting of shareholders of the National Express Group in London. Based on the data of the joint research of the trade unions Teamsters and Unite, the delegation protested against violations of workers' rights in North America. On the same day, in the ETF, the European branch of the ITF, the city public transport committee adopted a declaration in support of the campaign of Teamsters and Unite unions for recognition of the union and respect for all employees of the National Express.

# Conclusion.

It is not hard to see from the above facts that the problem of social dumping used by TNC remains one of the most acute in the context of globalization. It is mainly expressed in the refusal of employers and business representatives to fully fulfill their social obligations, which are enshrined in the ILO conventions and national labor legislation, in violation of the labor rights of employees. The ITF's experience of organizing work in transnational transport corporations to create intersectional trade union networks, to combat social dumping is only a part of the social efforts that the «evil» phenomenon, acquired in the confrontation of labor and capital, deserves.

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Article received 14.05.2017, accepted 28.07.2017.

