The Global Mobility Revolution

Facing up to the global mobility revolution

This report is a step in the direction to establish a UNI global union policy to deal with the surge in the outsourcing of service jobs across frontiers.

The UNI World Executive Board, during its November 2003 meeting, recognised that affiliates are facing a new phase of industrial change, which we have chosen to refer to as "the global mobility revolution."

Not only are jobs in a global market being exported around the world, and we are talking about millions of service sector jobs, but increasingly professional workers are becoming more mobile themselves. It is no longer an issue exclusive to the manufacturing sector.

Developing countries are enhancing their people's skills to help escape from poverty and to develop a modern economy. Information technology has stripped processing work out of offices to fewer and fewer centres within countries. Now that processing can be exported anywhere in the world.

UNI has already launched a series of initiatives globally and in the regions and sectors. UNI is investing in an ambitious organising campaign in call centres and in the IT sector.

We are beginning to see unions extending local agreements on job security to cover working practices in places where the work is being transferred.

The global mobility revolution requires a global, regional and sectoral approach from UNI. We aim to show the fruits of our work to the 2nd UNI World Congress, in Chicago in August 2005.

Philip J. Jennings
UNI General Secretary

The Global Mobility Revolution

Introduction

This report is about the trend for service sector jobs to be relocated across national borders, away from higher-cost areas of the world to those areas where wage levels are lower and where employment conditions and employment rights may be poorer.   This process is sometimes, perhaps not very helpfully, known as 'offshore outsourcing'.

Already this is beginning to feel like a major phenomenon: there is a strong sense that we are at the start of a major increase in the global relocation of service jobs which could well replicate the migration of manufacturing jobs from developed to developing countries a generation ago. Now – as then – this process raises significant challenges for trade unions, both nationally and internationally.

How should unions, especially those at the 'wrong' end of the transfer process, respond?

It is possible to imagine one 'nightmare scenario': under pressure to defend jobs, unions find themselves pushed into a reactive stance, doggedly resisting change at all costs. This position is readily manipulated by interests hostile to trade unionism, who portray unions as conservative institutions concerned only with defending sectoral interests and as irrelevant to changing times. Unions fail to stimulate a broader public debate on globalisation or to make wider alliances.   Potential new union members see little point in joining and membership drops.

Worse, this reactive strategy fails in its aim of maintaining the status quo. Jobs go, and existing union membership falls still further.   Meanwhile work migrates to countries where employment conditions are poor – but where workers view foreign unions as hostile to their own interests and have no motivation to develop their own union structures. Any sense of being part of

an international movement based on solidarity and mutual support vanishes. And the door is wide open for a real 'race to the bottom' to begin.

What is the alternative to this bleak picture? This report will argue that, whilst there are considerable challenges,   there are in fact opportunities for unions to turn potentially difficult circumstances to advantage. Above all, this report will stress that a successful approach involves responding *internationally*, with trade unions engaging actively at *both ends* of the work migration trajectory. It will argue that decent, properly paid jobs in one country are best defended in the context where unions are working for decent, properly paid jobs globally. Put another way, a strong sense of internationalism is not only a good trade union principle but is now increasingly an effective pragmatic response as well.

Within this overall approach, this report will suggest some tactical actions and stratagems for unions which find themselves directly engaged in the issue. But these by themselves are unlikely to be enough. An effective trade union response to the migration of service sector jobs requires understanding the bigger picture, that of an increasingly globalised economy where the nature of jobs and work is changing, in some cases quite radically.

It is also difficult to deal adequately with the migration of work internationally without also tackling issues around the migration of *workers* internationally – the second side of the same coin – and this report will therefore briefly look at this issue, too.   Both issues need a sophisticated response from trade union organisations.

Finally, it is impossible to look at the issue of service sector job migration without being aware of the work of the WTO, particularly in relation to GATS (the General Agreement on Trade in Services). The report will conclude with a brief look at this. The message here is that the union critique of the WTO – both the lack of core labour standards in WTO treaties and the lack of accountability in the workings of the institution – has to be hammered home.

The current situation

A number of UNI affiliates are already directly engaged in tackling developments brought about by the migration of service sector jobs. Here are just a few examples:

• In the US, WashTech, the specialist association for IT workers in Seattle and Washington state (affiliated to the Communications Workers of America) has been calling for government action to defend high-tech jobs. A House of Representatives committee considering the issue has received testimony from both the AFL-CIO and WashTech.

• In the United Kingdom, the Communication Workers Union (CWU) has launched a high-profile campaign focused on BT's proposals to transfer over 2000 call centre jobs to India. The telecom professionals' union Connect has recently signed an agreement with BT, which includes a specific commitment that redundancy will not be the outcome of offshore outsourcing – and that BT will adopt a socially responsible approach to employees in the developing world.

"The CWU have made clear that we have no argument with India or Indian workers. Our issue is with BT"[1]

• Also in the UK, the banking union UNIFI is negotiating with a number of banks which are considering outsourcing call centre operations to India and East Asia. UNIFI has produced a Negotiators Guide to Globalisation.

"This is not a campaign for British jobs for British workers, the situation is much more sophisticated than that, and in any event the UK is a net importer of jobs, so any xenophobic rhetoric is totally inappropriate"
Ed Sweeney, UNIFI General Secretary[2]

• In Australia, the Finance Sector Union has criticised the announcement from AXA that it plans to transfer jobs from Melbourne and Brisbane to Bangalore. AXA started shifting Australian jobs to India in 2000[3].

- In India, UNI-affiliated IT Professionals Forums have been successfully established in many of India's leading IT centres, to represent the interests of India's young IT workforce. Among those in membership are call centre workers.

As will already be obvious, the issue of remote migration of service jobs potentially concerns many sectors of industry. In terms of UNI's own sectors, those perhaps most directly affected are *IBITS* (remote software development and maintenance), *finance* (relocation of back-office work and call centres) and *telecoms* (relocation of call centres). However, other UNI sectors are also directly experiencing this phenomenon.

In *commerce*, for example, the growth of e-commerce makes it possible to transfer retail operations abroad, servicing domestic markets from overseas locations. For retailers, China is becoming the overwhelmingly important country for sourcing and purchasing. The *graphical* sector has seen considerable international migration of pre-press work, including cross-border data text entry and electronic treatment of pictures and archives: three data input companies (SPI in Manila and Thomson Press and Macmillan operations in India) between them employ more than 6,000 workers.

In the *media and entertainment* sector, the growth of digitised media allows considerable scope for moving work internationally. In the *travel* trade, the firm Ebookers has reportedly saved $2m in costs in three months by transferring many of its back office and customer service activities from Europe to India.

There is scope for remote outsourcing even in apparently unlikely areas such as *property services*: for example, one recent report comments on how security cameras in US car parks are being monitored remotely from the Cape Verde islands in Africa[4].

Some possible misapprehensions

Before we progress, it is worth making the following points:

- *The issue is not simply that of 'outsourcing'.* The trend for service sector jobs to migrate is linked to, but is not identical to, the issue of outsourcing.

Whilst companies planning to relocate service jobs to remote destinations frequently choose to outsource these functions, in some instances the work can continue to be undertaken in-house, for example by a subsidiary. Equally, outsourcing is frequently undertaken where jobs remain in the original home country. (The UK union UNIFI makes the point that, of the 3300 jobs outsourced by the HSBC bank in Britain in 2002, 3000 were to other companies in the UK and only 300 went abroad[5]).

- *The term 'offshore' can be misleading.* 'Offshore' was originally used to refer to those destinations, such as the Caribbean islands, which were developing data inputting facilities in the 1970s and 1980s for north American clients. It seems inappropriate for major countries such as India and China. The French term *délocalisation* might be considered appropriate for English use too.

- *The trend is not confined to English-speaking countries.* Other countries are also being affected. In France, the trend towards *délocalisation* is becoming a major area of media attention (for example, Cap Gemini Ernst and Young's president recently compared what is happening in the IT sector in France with past restructuring in the textile industry). Unions in Germany and Austria are concerned at the potential transfer of jobs to countries in central and eastern Europe.

For call centres, French companies are looking to African francophone countries, such as Mauritius and Morocco. Latin America provides an obvious location for Spanish companies looking to move offshore, whilst Lufthansa has a German-language call centre in Cape Town, for example.

- *Not just North v South.* It is simplistic to assume that the issue is just a matter of service sector jobs leaving developed countries for developing countries. The country with the largest market in IT outsourced services is in fact Ireland (driven mainly by the development centres of large IT companies such as Microsoft and Dell). India is in second place, but is then followed by Israel and Canada[6].

Developing countries themselves risk finding themselves at the wrong end of job migration. India for example has already identified a potential threat from China (Indian companies have responded by opening up their own operations

in China).   Some Indian call centre companies are moving beyond English-language services: Mumbai-based Mphasis has a Spanish language call centre in Tijuana, Mexico, for instance[7].

- *Not necessarily 'sweatshops'.* With the migration of service sector jobs, white-collar and professional workers in developed countries are for the first time directly affected. When manufacturing jobs in areas such as textiles migrated to lower-cost destinations a generation ago, it was appropriate in many cases to talk of the sweatshop conditions in which workers worked – and still work today. But this is not necessarily the case for new economy jobs.

In India, for example, call centre workers are highly educated, usually with degrees in engineering or computer science, and the physical conditions they work in are also generally good – typically purpose-built blocks in IT parks on the edge of cities such as Bangalore and Mumbai (Bombay). To give one example, the AXA European Works Council delegation to AXA's business services operation in Bangalore (undertaken in May 2003) found that 'the office facilities are better than anything that is offered in all but the largest AXA UK sites'[8].

On the other hand, we should not fall into the opposite trap of suspending critical judgement. There is evidence, for example, that Indian call centres suffer from the same problems of high staff turnover and poor career advancement found in many call centres in developed countries[9]. We should also consider living and social conditions, and not just the workplace environment. It is not clear to what extent trade union rights are respected: Dell at its Indian plants, for example, is reportedly strongly anti-union.

- *There are 'insourcing' issues too.* Every outsourced job is also an insourced job – it just depends where in the world you are based.

'Insourcing' can bring its own difficulties, particularly if the result is that local management no longer has control over key decision-making. Undertaking work for a remote client may not be quite such a positive development for a company in a developing country if it is the client that ultimately controls the company's destiny, not the firm's own managers.

The trend towards service sector migration

Some jobs will always require face-to-face contact or physical proximity to the customer. But the development of information technology and the possibility of digital data transmission through telecommunications links has opened up a new opportunity for globalising the delivery of some service sector jobs.

The trend began with relatively low-skilled data processing and data inputting work (such as routine administrative work dealing with airline ticket stubs and credit card applications) migrating from north America and Europe to destinations such as Jamaica, Barbados, the Philippines and Mexico. Higher-skilled work, such as software development, tended to be undertaken via the reverse mechanism of taking the workers to the work – for example, the so-called 'bodyshopping' of Indian IT specialists who worked under contract for US companies in the US.

Since those early days, however, much has changed. India, in particular, has developed rapidly in recent years as a destination for software programming and IT related work, with its IT sector growing through the 1990s at an astonishing compound annual rate of more than 50%. An industry worth about $175m in 1989/90 had come to be worth $5.7bn ten years later.

The Indian trade association NASSCOM (National Association of Software and Service Companies) is extremely confident that this growth will continue. Its 2003 Strategic Review talks of the likelihood that customers will significantly increase their use of Indian IT companies:

"Over a thousand customers currently outsource less than 1% of their IT budgets suggesting a huge latent demand. Even within the relatively mature Top 20 customers segment there is a huge difference in the percentage of IT budget offshored to India. As companies become more confident in the offshore model, we are likely to see an explosion in the growth of this segment[10]"

NASSCOM has particularly identified *IT enabled services* as the focus for major expansion in the next few years. IT enabled services include such things as IT management (for example, network management and maintenance), HR services (such as payroll processing), financial services (such as customer billing, project accounting and fixed asset recording) and client management (such as customer satisfaction surveys, order processing and call centre operations).   In practice, it is the last of these – call centre operations – which has so far become the most important part of India's rapidly growing market in IT enabled services.   At least 100,000 people, mainly young people, are estimated to work as call centre operators in India.

NASSCOM's confidence appears to be borne out by a number of consultancy reports. The US analysts Forrester Research recently suggested that as many as 3.3 million white-collar jobs, representing $136 bn in wages, could shift from the US to lower-cost countries by 2015. The study's author, John McCarthy, pointed out that companies embracing offshore outsourcing felt that they could get better quality work at half the cost they would pay for domestic labour. In Europe, Gartner has suggested that the market for offshore outsourcing could grow by 40% during 2003. Deloitte Consulting has forecast the loss of two million finance sector jobs in western countries in the next five years, with the world's top 100 financial institutions saving $138bn in the next five years by the global relocation of work.[11]

Some caution may be necessary. It is possible, for example, that these reports may reflect consultants' own interests in encouraging the development of the outsourcing trend. There is also some evidence of the trend on occasions being reversed. For example, the Australian retailer Myer recently repatriated its credit card call centre (operated by GE capital) to Australia from India. The move followed a public backlash at the move, prompted in large part by a TV documentary 'Diverted to Delhi' broadcast in early 2003. The analysts Datamonitor have also suggested, in a recent report, that the Indian call centre 'bubble' may be set to burst. Nevertheless, stories like these are clearly running against the tide.

India has attracted most attention because of the astonishing growth of its software sector. The Philippines also has a significant IT sector, worth roughly a sixth of India's. Other global destinations identified as upcoming include Ukraine, Russia, the Czech republic, Poland, China, Pakistan, Brazil,

Argentina and Mexico. NASSCOM itself sees the most serious contenders as Argentina, Czech Republic and China.

The main driver which is encouraging companies to consider relocation to countries such as India is, of course, the lower level of costs incurred. Even though by Indian standards those employed in the IT sector are relatively well paid, pay scales are a fraction of what their colleagues in Western countries are given for similar work. NASSCOM suggests an average employee cost in India per year of US$5880. The CEO of an Indian call centre company recently estimated that, in total, costs could be reduced by 40%-60% by moving to India.

Comparable pay rates for other countries are not easy to find. One source is NASSCOM itself, which suggests (for an employee in the IT sector) an annual cost per head of $6000 in Russia, $6400 in Czech Republic and $8900 in China (though with wide variations within China itself). NASSCOM does not give the source of these figures and they may be questionable[12]; however, whatever the exact figures, wage levels in potential recipient countries, especially in developing countries, are clearly far below comparable levels in western countries.

At the sharp end: some tactics and strategies for unions facing job migration

Trade unions' first duty is to their members, and nothing comes higher on the list of priorities than defending members' jobs and livelihoods when they are under threat.   Unions will therefore want to find the most effective tools possible to use when jobs are under threat of migration.

On the other hand, appropriate tactics need to be matched with a strategic sense of longer-term economic trends. As companies globalise their operations, there will be increasing pressure at least for lower-skilled knowledge-based jobs to shift from higher-wage to lower-wage areas. A failure to understand this process may mean that unions embrace tactics which don't work. It is also arguably deceitful to members for unions not to fully explain these realities to them.

What tactics and stratagems therefore can be adopted?   Here are some suggestions, including examples of existing good practice by UNI affiliates.

a) Getting in early

It is much better for unions to engage actively with companies at an early stage in their planning, than to have to respond later when decisions have already been taken to transfer work abroad.

Example: UNIFI organises bank employees of HSBC in the United Kingdom. HSBC is a global bank, which already services the UK market from centres in India, China and Malaysia. UNIFI has drawn up a 'Globalisation Charter' which it has presented to HSBC. The Charter includes the following demands:
-    HSBC and UNIFI should jointly manage the process of change arising from plans to globalise UK jobs
-    HSBC to adopt ethical employment practices in all global sites
The Charter also calls for no compulsory redundancies, for greater lifelong learning opportunities, and for UNIFI to be given at least twelve months' notice of plans to globalise UK jobs. The union is now using the Charter as a negotiating tool in discussions with the bank.

Example: Amicus (UK/Ireland) has produced a Negotiators' checklist for offshore outsourcing. This calls for negotiators to 'do as much as possible before any outsourcing contract or agreement is signed'. It includes a set of eight questions to ask employers:
-    Why is this being done?
-    Can we have a copy of the business plan?
-    What will be the financial saving to the organisation?
-    What proportion of the financial saving do you propose to share with the UK workforce, and what will be the effect on our pay and conditions?
-    What assurances can you offer on job security for the UK workforce?
-    What is the record of the new organisation, in terms of pay and conditions for its workforce, freedom of association/union organisation, and track record for other contracts?
-    Have you carried out a risk evaluation on the onshore/offshore model and can we have a copy?
-    Can we have a copy of the contract with the offshore company and the service level agreement?

b) Strengthening union organisation

Unions should treat the advance signs of moves by an employer towards job migration/outsourcing as a *positive* opportunity to improve levels of unionisation and organisation within the company. This is a time when more workers may begin to appreciate the importance of the collective strength of a union; a well-organised workplace will also assist in any future negotiations or campaigns which are necessary.

Example: IT 'techies' may have a reputation for individualism and high-tech IT companies a reputation as anti-union. However, this is not discouraging web-based initiatives such as Alliance@IBM, WashTech (Washington Alliance of Technology Workers) and Techsunite.org from seeking to organise fellow high-tech workers. The possibility of IT jobs migrating from the US West Coast is being used as a tool for further organising.

"The move by US corporations to send hundreds of thousands of US technology jobs overseas marks a turning point that distinguishes the high-tech industry of the 21st century from that of the 20th... This globalization strategy dictates an immediate new course of action. The time has come for us to assert our fundamental right to organize and bargain collectively with our employers... Our vision must be about fairness and opportunity – a vision that is supportive of both employers and dedicated employees who make the industry's success possible. Only through organizing will we be able to achieve this future"[13].
(Marcus Courtney, WashTech president)

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c)   Reinforcing the need for adequate lifelong learning

Trade unions have long stressed the importance of ensuring adequate lifelong learning opportunities for workers. This issue becomes even more pressing in the context of global job migration: in general, the higher the skill level involved, the less likely that the job will be subject to migration.

Furthermore, the speed of technological development means that work skills now need to be updated much more frequently than in the past.

Unions have a good record in many countries of working as social partners with governments and employers' bodies to promote better vocational training and learning. Unions may also want to help their members directly, by offering their own training and learning opportunities.

Example: The Association of Professional Engineers, Scientists and Managers Australia (APESMA) has worked with a number of universities (most recently La Trobe) to establish an MBA (Technology Management) degree course for its members. This course is also delivered on a distance-learning basis, and currently has about 23% of the total MBA market in Australia. The union says that the MBA programme has not only had a positive impact on the career opportunities of its members but has raised APESMA's image as a highly professional organisation.

d)   Looking more closely at the costs and benefits of work migration

The discrepancies in labour costs between developed and developing countries (and within regions of the world, such as between western and eastern Europe) are such that the apparent benefits to companies of moving work to lower-cost destinations can be very high – and consequently very difficult to argue against.

Superficially, for example, a US call centre paying its staff, say, $20,000 a year is highly uncompetitive in comparison with an Indian call centre paying its staff $4000-$5000 a year.

Companies should be encouraged to look beyond superficial comparisons, however. One additional issue to be factored in (as Amicus suggests in its negotiators' guide, mentioned above) is the possible greater risk to a company's operations of geographical relocation.

For finance companies, a particular issue is to ensure the integrity of financial data. A front-page report in the Financial Times early in 2003 drew attention to the infiltration of call centres by organised criminal gangs, looking to access confidential personal information[14]. It may be the case that an in-house call centre is a more secure establishment than one which is outsourced.

Levels of customer service and quality may also be affected, not because of the level of competence of remote workers but simply because of differences in local knowledge, accent or culture.

One example which attracted unfavourable press comment was Dell's decision to handle customer technical enquiries in Bangalore. New York journalist Reggie Nadelson has written: "It all began on the day I called my PC company for help because my computer had broken down… In spite of Dell's great aftercare promises, I discovered I was talking to India... In order to get the thing fixed, I would have to arrange the transport with this person in India and then get the computer sent to Tennessee. I was enraged… I am not interested in the global village. Why did I need to talk to India and ship to Tennessee? Why couldn't I get it done here?[15]".

There is growing evidence of consumer dissatisfaction with the impersonal level offered them by some call centres. For instance, in something of a reaction to the trend to centralise customer relationship management, one UK bank recently took TV advertising to explain that its customers, unlike rivals' customers, could telephone direct to their own local branch for help and information – just as in the old days.

The CWA (US) told the UNI Telecom World Conference in June 2003 that it had evidence that customer satisfaction was 40% higher in in-house call centres compared to outsourced ones[16].

e) Beyond the single bottom line

Even taking into account the hidden costs of moving work to remote locations, however, on many occasions there will be a clear cost benefit to the company in making a move.

This is the case partly because some of the costs associated with this decision can be externalised. For example, the long-term cost of coping with the closure of a call centre, perhaps in a region which has already suffered from deindustrialisation, is likely to be picked up by the public sector. It is the public purse which is likely to meet unemployment and social protection payments, to pay for physical or mental health problems encountered by those made unemployed, and to fund further attempts at economic and social regeneration in the region.

This is not necessarily an easy argument to make. Unions may be able to make alliances with civil society organisations and NGOs which are encouraging companies to consider more than the 'single bottom line' (in other words, the financial return). Recent campaigning to promote corporate

social responsibility has stressed a 'triple bottom line', where social and environmental costs and benefits of a company's actions are also subject to assessment. It is also worth developing further the idea of stakeholder, rather than shareholder, value.

The problem to overcome, of course, is that companies can make the point that their single underlying fiduciary duty – as the law, and the world, currently stand - is simply to maximise financial returns for investors.

Organising globally

Trade unions' aim should be to ensure that worker representation and good employment conditions operate throughout the global operations of the employer company, regardless of country.   This has a double advantage: it helps combat casual, opportunistic relocation of jobs abroad, and builds a stronger international framework for industrial relations in the longer-term.

What it's necessary to understand is that the development of prosperity in new areas of the world consolidates existing prosperity. It doesn't weaken it... In order that this is a win-win situation for all, with mutual economic development, trade unions must act both in the North and in the South. In the North, employees need to be given access to long-term jobs, through lifelong learning for example and through social protection in the face of corporate restructuring and relocation. In the South, the trade union movement must promote social rights to ensure that the wealth produced rewards the employees affected.
(Didier Blain, CFDT)[17]

a) Using international codes of good practice

There are a number of internationally agreed codes of practice and guidelines, which unions can use both when negotiating with employers, and also as publicity and propaganda weapons in the event of industrial disputes over job migration.

The ILO Declaration of fundamental principles and rights at work, adopted in 1998, lies at the heart of the ILO's call for 'decent work'. It identifies four core labour standards, including 'freedom of association and the effective recognition of the right to collective bargaining'. The ILO Tripartite Declaration on principles concerning multinational enterprises and social policy, first adopted in 1997 and subsequently revised (most recently in 2000) is another useful tool, not least in that employers' bodies were as involved as trade unions and governments in drawing up the document. The ILO has recently published a Guide to the Declaration, subtitled *Knowing and Using Universal Guidelines for Social Responsibility,* offering valuable suggestions.

The OECD Guidelines for Multinational Enterprises and the OECD Principles of Corporate Governance, whilst not binding, may also be of use. The former includes a commitment that companies 'respect the right of their employees to be represented by trade unions'. The UN Global Compact, proposed by Kofi Annan at the 1999 World Economic Forum, reiterates the right to freedom of association and to collective bargaining.

UNI has published a comprehensive report on these, and other similar international initiatives: *Responsible Business?: a UNI Guide to International Codes of Practice.*

b) Framework agreements

Unions internationally have had some success in the past few years in encouraging multinationals to sign up publicly to global core labour standards, through the mechanism of Framework Agreements.

Example: UNI has itself signed a number of Framework Agreements with individual multinational companies. Its pioneering Telefónica agreement, for instance, includes clauses on freedom of association and union recognition, good health and safety practices, adherence to national minimum wage legislation and adherence to national maximum working day legislation.

Framework Agreements can be accused, perhaps inevitably, of being vague and generalist. They do, however, have the advantage (particularly in relation to codes of practice unilaterally adopted by companies attempting to

demonstrate their commitment to corporate social responsibility) in being negotiated agreements, with a formal role offered to trade unions.

Framework agreements may be of only limited help in cases where jobs are outsourced, however. Recent Framework Agreements have at least tried to extend the basic agreed principles to situations where companies are using sub-contractors. DaimlerChrysler's agreement, for instance, says that the firm "expects its suppliers to incorporate these principles as a basis for relations" with it. Nevertheless, the ability of the trade union to monitor the effectiveness of such clauses may be limited.

c) Regional and global Works Councils

Another mechanism for seeking to ensure that companies maintain adequate employment conditions and pay throughout their global operations is through the development of regional – and eventually – global works councils. The importance of global works councils as an objective for unions was recognised at UNI's founding World Congress in Berlin in 2001, in the resolution "Networked solidarity: multinationals and workers' capital".

Example: UNI Finance has been involved in work to establish the successful African regional works council at Barclays Bank and in proposals to create an HSBC East Asian regional council. An innovative global council operated by NatWest bank has unfortunately been wound up following NatWest's acquisition by a rival bank.

A difficulty is that outsourced work is not within the direct remit of works councils. It must also be admitted that the short-term prospects for effective global works councils are not high.

Nevertheless, even if companies do not recognise works councils, the growth of formalised trans-border structures linking unions organising in the same company is clearly a welcome development, and one which UNI should aim to nurture.

Example: The Ibero-American Trade Union Coordinating Committee of the Banco Santander group (CCSCS) brings together unions representing Santander group workers from Spain, Portugal, Brazil, Argentina, Chile, Paraguay, and Uruguay and which is coordinating international action ; the Committee is coordinating a joint Day of Struggle in Latin America in

September 2003.   Similar initiatives are envisaged for other banks, including BBVA and ABN-AMRO.

d) Developing new trade unionism: the example of India

The growth of India's IT sector has been paralleled by the rapid development of a skilled workforce, swelled each year by new engineering and computer science graduates. About 60,000-70,000 graduates are estimated to enter the IT sector annually. The IT workforce is a very young one, with most people in their twenties.

After a number of abortive attempts throughout the 1990s to organise the sector in India, the last three years have seen Indian IT professionals developing their own forms of collective organisation, designed to represent their interests at work. The IT Professionals' Forum in Bangalore in the state of Karnataka was launched at a public meeting in the city held in late 2000, with around 200 participants; since then it has also developed offshoots in other cities in the state, including Mysore and Hubli. Its sister IT Professionals' Forum in Hyderabad in Andhra Pradesh was also launched in 2000 and has a similar level of support. There are offices in both Bangalore and Hyderabad.

More recently, other chapters have been set up in other major IT centres in India. An IT Professionals Forum for the state of Maharashtra, centred on Mumbai, was formally launched in July 2003, with a similar launch a week later for a Forum for the state of Tamil Nadu, focused on Chennai.

UNI and a number of UNI affiliates in developed countries have supported the development of the IT Professionals Forums in India, both by providing initial staff support and seedcorn funding. The Forums are now working towards financial sustainability from members' own contributions.   The choice of the neutral term 'Forums' is deliberate; the organisations do not wish to describe themselves as trade unions, a term which they fear could prove offputting to their potential members, who have no tradition of trade unionism. Similarly they prefer to talk of 'IT professionals' rather than 'workers'.

Despite this, the work which they are undertaking for their members will be familiar to many trade unions. The Bangalore Forum, for example, has been

concerned by the number of suicides in the IT sector, something it attributes to work-related stress. Eye strain from excessive computer monitor use is another concern, as are back pain problems from poor working postures at workstations.

The Forums can be seen potentially as presaging a new emerging form of worker representation, suitable for the needs of new industries in a new century.

e) Developing new trade unionism: some general comments

The IT Professionals Forums development in India offers hope that trade union organisations in the developed world can work effectively with colleagues in developing countries, to ensure that workers in the new economy are adequately organised. However, the Forums are still at an early stage of their growth. It is also not necessarily inevitable that this sort of development can be replicated in every destination to which work is migrating. Some countries, for example China, pose considerable difficulties for effective union organising.

There is a particular problem if service sector jobs migrate to closed Export Processing Zones, or similar specialist business areas, where employment rights are restricted. This has been a major issue in manufacturing; it is too early to say if it will also affect service sector work.

Every day, new anti-union actions take place in EPZs as more and more workers try to organise and join unions. And companies know that all they have to do is shift production to China, where legitimate union organising is ferociously repressed and where there is little risk of international exposure.
(ICFTU)[18]

Unions in developed countries need to be as creative as possible in responding to globalisation. Financial and other support for less well-resourced unions in developing countries is important, but there may be opportunities to go beyond this and for international work to be given a more central role in general union activities. In the case of unionised companies

where work has been transferred abroad to a non-organised workplace, for example, it would be interesting to see whether there was any scope for the 'home' union to offer services and associated membership to the remote workforce.

Looking somewhat further into the future, it is possible to argue that current developments prefigure a more fundamental change in the way in which companies operate, and that the present use of outsourcing could be extended into a more general disaggregating of the traditional integrated corporate structure towards more atomised entities. This sort of development would change individuals' relationships with their employer (indeed, it would probably lead to more self-employment and new forms of atypical contractual relationship); unions would need to anticipate these changes and ensure that they had in place structures and services able to meet the needs of new generations of workers.

The wider context

a) Labour migration

As mentioned earlier, migration of work and migration of workers are two very closely linked issues - two sides of the coin.

A full analysis of the subject of emigration and immigration is beyond the scope of this report. Nevertheless, an international trade union response to the delocalisation of work which failed to link this trend to the migration of individual workers would be unsatisfactorily one-sided.

There are clear connections: for example, the Indian IT industry's development has been closely linked to the earlier trend for Indian IT specialists to work on contracts in western countries. What has changed is simply that, as well as bringing workers to the work, client companies using Indian IT expertise are now comfortable at the idea of taking work to the workers.

As with work relocation, there is the same need when tackling the issue of migration to avoid a fall-back into xenophobia.

There is also the same need to develop beyond a narrow focus on trade union organising within individual countries, in order to work towards an inclusive trade unionism which has global relevance. In this case, one key principle is to ensure that migrant workers are given the same employment rights and protection as native workers, including the right to play their own part in local trade union life.

In this respect, one worrying story concerns Indian IT programmes and analysts employed in Australia for the telecoms company Telstra (still 50.1% publicly owned), who are on very much lower wages than native workers doing the same work. According to a report in April 2003 in the Herald Sun newspaper, the Indian specialists are on salaries of A$12,000, by contrast with usual salaries for their work of about A$60,000[19].

This example demonstrates that it is not enough to ensure that minimum wages and employment conditions in the host country are adhered to; the key issue is to ensure that migrant workers enjoy *comparable* pay and employment conditions to those enjoyed by other workers.

UNI's Passport scheme is an important practical way of trying to achieve this; it has already been successfully used by members of UNI affiliated unions working abroad to draw on the help and advice of UNI affiliates in their new country of work. However, on occasions the operating of the Passport scheme may leave something to be desired. The Passport idea needs to be developed further, with UNI and UNI affiliates ensuring that they have the resources available to be able to respond adequately when called upon for help. UNI has called on affiliates to have a section of their website offering information specifically for UNI Passport holders.

This report has argued that unions need to develop a sophisticated and international response to the issue of work relocation. A similar response is needed to the issue of migration. As the recent ILO report *Sustainable Migration Policies in a Globalizing World* has put it, "Migration must be managed actively and cooperatively… Sustainable migration policies require mutual benefits, for migrants and their employers as well as for sending and receiving countries. Acknowledging these benefits in all counties involved, calculating them, and discussing how to increase and distribute the benefits of migration as well as mitigate associated costs are vital topics…[20]"

Migration is in part a response to global economic differences. Indeed, the development of decent jobs with fair and appropriate employment conditions and protection in countries which have up to now not enjoyed them is likely to reduce the pressure on developed countries from economic migrants, including those people who find it necessary to seek entry to countries illegally. This means, conversely, that if developed countries were to try to control the growing issue of work delocalisation simply by erecting protectionist barriers they would ultimately be likely to find that, in exchange, they were increasing the pressures on their economies from migrants.

b) GATS

Any report entitled 'Globalisation and the migration of service sector jobs' has to note, if only briefly, the importance of the WTO's General Agreement on Trade in Services (GATS).

GATS is the key forum in which the international trade rules behind the global migration on service work are laid out. The present GATS agreement indeed covers not only the cross-border supply of services by companies but also the presence of individual workers supplying services in another country to their own.

The Global Unions, including UNI, have substantive criticisms of the present operation of GATS, which have been laid out in the Trade Union statement presented to the WTO Ministerial Conference in Cancún in September 2003[21]. UNI has also produced a comprehensive guide to GATS[22].

There is not space within the scope of this report to repeat again these arguments. It should perhaps be noted, however, that unions – whilst highly critical of the current GATS - are calling for its reform, not its abolition. Global trade in services is a feature of the world economy, and as such requires appropriate international agreement. Indeed, it is because this is a necessary part of a well-regulated world economic system that unions have been campaigning so hard for a democratically accountable WTO, with adequate protection of core labour standards in international trade agreements.

Concluding remarks

This report has argued that trade union organisations, both at national and international level, need to have a sophisticated response to the issue of cross-border work delocalisation.

Unions should aim to impose three conditions where work is on the move: firstly, effective support for workers and their communities where jobs are threatened, secondly, worldwide observance of fundamental workers' rights, and thirdly, prior consultation and negotiation with workers' representatives before change is introduced.

In practice, of course, this is a tough assignment for individual unions to take on on their own. There is therefore a particular responsibility on UNI, and the other Global Unions, to develop an adequate response.

Taking the broader picture involves the following steps:

- reinforcing international trade unionism:
encouraging practical solidarity between unions in developed countries and those in developing countries; working to welcome embryonic forms of trade unionism in new industries and new countries, recognising that they may be different from traditional union structures

- making strategic partnerships:
attempting to work with civil society organisations and NGOs which are also concerned with the implications of globalisation; these could include development organisations, environmental organisations and consumer bodies.

- challenging the existing form of globalisation:
working to redefine the terms of international trade and to identify alternatives to the present corporate-led form of globalisation; working to mainstream the work of the ILO

As a conclusion, it is difficult to improve on the phrase which was used by the UNI affiliate Amicus (UK/Ireland), in its negotiators' guide to offshore outsourcing:

Act locally, organise globally

1 source: CWU briefing on remote sourcing

[2] source: UNIFI e-fusion, 17 July 2003

3 See for example www.washtech.org, www.cwa-union.org, www.techsunite.org, www.cwa.org.uk, www.fsunion.org.au.

[4] Afriboxes, Telecenters, Cybercafes: ICT in Africa, Mike Jensen, Co-operation South issue 1, 2001

[5] UNIFI Negotiators Guidance on Globalisation

[6] NASSCOM Strategic Review 2003, p84

[7] Service wave ripples outwards, Kozem Merchant, Financial Times FT IT Review, July 2 2003

[8] European Works Council report on AXA Business Services, Bangalore, May 2003

[9] see for example Sudesh Prasad, Call Center Training: All is not well, www.ciol.com/content/special/ites/articledetail.asp?arid=24540

[10] NASSCOM, Strategic Review 2003, p41

[11] For more information see for example The New Global Job Shift, Pete Engardio et al, Business Week, February 3 2003; Looking for Savings on distant Horizons, Nuala Moran, Financial Times FT IT Review, July 2 2003.

[12] NASSCOM, Strategic Review 2003, p84-86

[13] IT outsourcing trends underscore the need to take action, Marcus Courtney, WashTech news, January 31, 2003

[14] African gangs infiltrate banks, Thomas Catán and Michael Peel, Financial Times March 3 2003

[15] All over the shop, Reggie Nadelson, Financial Times How to Spend It magazine, n.d. (2002)

[16] UNI Telecom World Conference, Union response to global outsourcing

[17] Ce qu'il faut comprendre, c'est que le développement de nouvelles zones de prospérité dans le monde consolide les prospérités déjà existantes. Il ne les affaiblit pas… Pour que cet échange gagnant-gagnant soit profitable à tous, et pour qu'il ait co-développement, le syndicalisme doit agir au Nord et au Sur. Au Nord, pour donner aux salariés les conditions d'accès à des emplois durables, par la formation tout au long de la vie par exemple, ainsi que des garanties sociales face aux restructurations et à la mobilité. Au Sud, le syndicalisme doit promouvoir des droits sociaux qui permettent que les richesses produites profitent aux salariés concernés. (www.cfdt.fr/actu/inter/actualite/monde/2002/actu236.htm)

[18] ICFTU, Export Processing Zones – Symbols of Exploitation and a Development Dead-End, Sep 2003

[19] Tanya Giles and Mathew Charles, Herald Sun, April 22 2003

[20] Sustainable Migration Policies in a Globalizing World, Philip L Martin, IILS (ILO), March 2003

[21] Trade union statement on the agenda for the 5th ministerial conference of the World Trade Organisation, Cancún, 10-14 September 2003

[22] UNI: Qs and As on the WTO's General Agreement on Trade in Services, May 6 2003