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Paper

Impediments to International Union Working under globalisation; a case of seafaring labour and the Nautilus International cross-border merger

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Abstract

This paper considers the challenges for unions organising in a complex globalised economic context and in an environment characterised by labour's dwindling financial resources and political influence under neo-liberalism. It examines the questions of whether and how unions may innovate and provide more effective worker representation in this context. The analysis is in the context of the shipping industry, where a complex and highly de-regulated global labour market is evident. In light of growing debates about union renewal under globalisation, and the recent establishment of Nautilus International Union (NIU) – a product of a unique cross-border union merger, initially between the *Federatie van Werknemers in de Zeevaart* (FWZ) of Netherlands and the UK's National Union of Marine, Aviation and Shipping Transport Officers (NUMAST), we discuss the conditions for, and obstacles to, effective response to global capital by national unions.

Key words: cross-border unions, seafarers, Nautilus International Union, path-dependency, multinational capital, shipping

Introduction

That the power and influence of the global labour movement has drastically waned over the past thirty to forty years is well established in the literature (e.g. Hyman, 2005). The combined effect of neoliberal state policies and targeted multinational corporate (MNC) strategies in the development and supply of labour means that the capacities of unions, in terms of membership, financial and bargaining power, have declined. Considering that the power of multinational business to segment and exploit labour internationally had expanded in this period, the overall situation for workers has deteriorated and is increasingly characterised by work intensification, decreasing pay, in net terms, casualization and a general deterioration of employment conditions and seafarers' work experiences. Thus, the shipping industry, owing to the extent of its globalisation, presents a good context for the study of the growth in multinational corporate power, the withdrawal of the state and the decline in union capacities.

The untrained eye might conclude that the labour situation in the international shipping industry is one of a simple reversal of labour supply dominance, from high-wage North to low-wage South and that, in general terms, the circumstances for unions should be viewed the same. Such an eye would thus conclude that what has been lost by unions, in terms of members and financial resources, in the North has been gained by unions in the South so that, overall, the influence of the labour movement in the industry should not necessarily be affected. However, a closer and more analytical look would reveal that the developments in the political economy of international shipping in the past three decades are nothing but simple, and that the implications for labour are extensive. The advent of massive 'flagging out'¹ in the 1970s and 80s not only allowed ship owners to circumvent stringent regulation by national flags (particularly regarding seafarer employment), and access cheaper crews overseas but also enabled them to effectively challenge the organising influence of unions. Firstly, flag of convenience (FoC) states lacked both the will and the ability to effectively regulate the labour practices of the shipping multinationals that owned and operated vessels in their registry, thus ship owners were free to recruit seafarers from anywhere with minimum (if any) compliance requirements relating to nationality, minimum crew, and work and employment conditions (Alderton et al, 2002). Secondly, since collective bargaining agreements are normally negotiated with trade unions of the flag state, the shipowners were able to escape pressure from the much stronger unions in established maritime unions in the North by recruiting more from the new

¹ This is the process of taking ships out of national registers and operating them under foreign ones often for the purposes of avoiding strict operations regulations and reduce corporation taxes.

seafarer labour supply countries of the South. They also mostly got away with paying the minimum possible wage since employers would normally adhere to wage regulations of the seafarers' home country, and finally, by hopping in and out of different labour supply regimes, they managed to circumvent the influence of most labour unions globally.

The implications of these developments for union capacities were far reaching. The decline in job opportunities for seafarers in developed countries meant that by the Mid-1990s, the majority of seafarers came from developing countries where unions lacked the capacity to effectively engage with multinational shipping companies, and where the tradition of unionisation was weak. The overall effect was a general decline in union capacities in the industry internationally. It has thus been observed that the overall effect of flagging out, which epitomises the impact of globalisation in the industry, is exposure of workers to the largely unchecked, minimum-cost, maximum-profit employer strategies (Bergantino and Marlow, 1997; Alderton, 2002). Furthermore, taking advantage of the varying economic contexts in different labour supply regions, employers have managed to extensively segment global shipping labour, with consequent zero-sum competition between North and South, and to some extent, East and West segments characterised by deep tensions over 'stolen' jobs. Under these conditions, and as national unions focus on protecting their members' jobs, possibilities for a concerted and effective international response to global capitalism within the industry seem thin.

In developing our analysis of the possibilities of, and obstacles to, effective union response to labour's declining fortunes, we draw on the NIU merger and present it as a unique and bold step in the renewal process. We however, critically interrogate the effectiveness, or even, practicality of the initiative in the face of the quagmire of competition, mistrust and tension, which characterises the seafarers' global labour market. Further, we draw on some of the key challenges and successes in the process of establishing NIU to examine the impact of union embeddedness in space, tradition and structure on the possibilities for effective renewal in a globalised context.

Methods

The material informing the discussion is drawn mainly from a study of the recently established cross-border union – Nautilus International Union and augmented with data collected as part of a separate study on transnationalism in the seafaring sector. The main study involved qualitative research conducted between 2005 and 2011 focusing on cross-border union representation in the seafaring sector. The study utilised formal in-depth interviews and informal discussions with senior

officials and executive members of the union, a continuous review and analysis of relevant content published in the Nautilus Telegraph (the official union's in-house newspaper), an analysis of the union's annual returns, and some limited participant observation at the union's various meetings.

In total, 20 formal interviews were conducted with several follow-up correspondences throughout the entire study period. Many informal but relevant discussions also took place during visits and attendance at union meetings, which were recorded as field notes and used in the analysis. In this way the researchers monitored the evolution of the merger until and after its launch in May 2009.

The second study focused on labour trans-nationalism and its implications for the wellbeing of seafarers. It involved semi-structured interviews complemented with a structured questionnaire and non-participant observation aboard a cargo ship by one of the researchers. Three research sites were utilized for this study: a seafarer's dormitory in Manila, a rural community in Iloilo, Philippines, and a container ship where the researcher spent 41 consecutive days observing and speaking to seafarers about their work, employment and life experiences. At the dormitory and in the community, a total of 75 interviews were conducted, including both seafarers (in-between contracts) and their partners. The data utilised in this paper is predominantly from the on-board-ship interviews.

These data from both studies have been revisited and analysed with a view to shedding light on the challenges of globalisation, for seafarers and their unions, in the process of examining innovative and more effective possibilities for worker organisation and representation in such a globalised labour context.

Results

The analysis confirms that, as a result of the cost-driven employer strategies, the shipboard workplace is characterised by increasing multinationalism. For example, the 25-crew member carried by the ship under study (12 officers and 13 ratings), comprised three different nationalities, 14 Filipinos, 10 Indians and one Sri Lankan. 2 out of the 14 Filipinos were officers (second mate and electro cadet) while all the Indians were officers. More importantly, however, an examination of crew relations reveals deep-seated tensions and suspicions between the different nationalities on board. This question raises the question about worker's international solidarity and the possibility of reaching across national borders and creating links between national unions, which could effectively counter neoliberal capitalism and the overwhelming imbalance in power relations at the workplace.

The analysis also shows that the greatest impediment to such cross-border working among unions is a traditional embeddedness to the national space – path-dependency – which diminishes their creativity and initiative. Particularly, individual national unions seem to be restricted by a narrow, nation-state based view of the place and role of unions in relation to the interests of its core members. Issues of ‘stolen jobs’ and low-wage overseas competition form the core tension.

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