

Title: The Interaction between Global Unions and Local Unions and its Impact on Labour Dynamics and Worker Rights in Global Value Chains

Track: International Business and International Management

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Summary

The paper explores the role of global unions and local unions in Global Value Chains (GVCs) and explains how their interaction shapes labour dynamics and influences worker rights within the GVCs by reviewing existing literature. It discusses various aspects of the Global Union (GU)- Local Union (LU) interaction in the GVCs, such as conflicting ideologies, diverging interests, power dynamics, and vertical vs. horizontal approach. The paper elucidates various other factors that impact the GU-LU interaction, such as the effect of sectors and the nature of employment, the identity work of and dilemma faced by trade union leaders, organizational and political scenarios, and the governance of GVCs. Further, the paper highlights the role of external actors, such as the ILO, the consumers, the NGOs and CSOs, and the national government, in shaping the GU-LU interaction. The discussion in the paper has been delineated in the form of a framework.

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1. Introduction

In the present era of globalization, firms are increasingly outsourcing their production activities for cost-saving purposes and to increase their competitiveness (Jackson, Kuruvilla and Frege, 2013). This has several implications for research on labour issues and challenges in the global context. In this regard, extant literature has focused to a great extent on Global Commodity Chains (GCCs), Global Value Chains (GVCs), and Global Production Networks (GPNs) (Neve, 2008; Lee and Gereffi, 2013; Ponte and Sturgeon, 2014; Kano, Tsang and Yeung, 2020). The GPN literature has particularly highlighted the interconnected nature of various factors affecting the production process globally (Henderson *et al.*, 2002). The evolution of GPN literature has brought to our attention the dynamic nature of interactions among various local, state, international, and corporate actors and has helped us understand the process of value capture in the global production of commodities, better (Cumbers, Nativel and Routledge, 2008). Recent studies have focused on studying the labour rights and working conditions in GVCs, particularly the impact of global restructuring on labour conditions in developing and less developed countries (Niforou, 2015). Globalization has significantly impacted different groups of workers, and the response of labour unions to globalization is of much interest in research (Jackson, Kuruvilla and Frege, 2013). Despite the research focus on labour in the global context and the interconnected labour networks, little research has been done to understand labour's active role in the constitution of the global economy (Cumbers, Nativel and Routledge, 2008). Labour and capital essentially have a dialectic relationship with one another in a capitalist society (Benson, 1977). In GVCs, MNCs are faced with resistance from the labour agency within the production process in the process of extracting value through the exploitation of labour (Cumbers, Nativel and Routledge, 2008). Labour and its agency can influence global production networks (GPNs) and gain the power to defend labour standards and worker rights. There is a need to further explore the centrality of labour in GPNs, in a nuanced manner to unravel the complexities at the ground level. Labour must be understood as the fundamental process in value creation. In view of this, labour-centric studies, particularly in the present-day globalization context, such as the role of and the interaction between global unions and local unions, are in need of research attention.

Globalization has resulted in increased complexity in strategizing over a broad geography with various actors in different national contexts. The global firms interact with supplier firms spread across different geographies, and labour dynamics in these firms are influenced by a variety of local and global institutions. Studies have explored and highlighted the responses of MNCs, international organizations, NGOs, CSOs, and trade unions to the consequences and effects of GVC operations on labour (Niforou, 2015). With the embeddedness of national institutions in transnational multi-level institutional arrangements, the power relations among various actors in the GVCs is determined by political actions (Jackson, Kuruvilla and Frege, 2013). There is increased interdependence between national and international governance, as well as between government and non-government actors within nations. All these affect the relationship between local unions and global unions in shaping labour dynamics and setting labour standards in GVCs.

With increasing globalization and the rapid expansion of MNCs, there has been an increased focus on transnational unionism in the GVC domain (Jamie K. McCallum, 2013). The success of transnational unionism is reflected in the signing of a large number of global framework agreements (GFAs). However, the extent to which the global unions have been successful in building transnational solidarity is questionable. The success of transnational labour alliances depends on the strengthening of workers and unions in the less developed countries or the

global south to overcome the “democratic deficit” of global governance structure, and assert labour rights at local levels (Sarkar and Kuruvilla, 2020). The interaction between the global and local unions provides power and influence to local unions in dealing with labour exploitation in the MNCs and consequently protecting worker rights in a globalized economy. It is evidenced in studies that workers having the support of global campaigns are often more powerful in dealing with global corporations on matters such as violation of worker rights and labour issues (Jamie K. McCallum, 2013). Also, the initiatives of global unions necessarily require active collaboration and support from local unions to be successful.

In this paper, extant literature has been explored to understand the role of global unions and local unions, various aspects of interaction between them, and the impact of their interaction on labour dynamics and worker rights in global value chains. The various aspects of the interaction between local and global unions and their effects on labour have been discussed in the paper and encapsulated in the form of a framework. The paper extends the discussion on the active role and interactive effects of global and local unions on ascertaining labour rights in Global Value Chains (GVCs).

2. The Role of Global Unions and Local Unions in Global Value Chains

The Global Unions (GUs) comprise the International Trade Union Confederation (ITUC) and the Global Union Federations (GUFs) (Cotton and Gumbrell-McCormick, 2012). The ITUC is the largest trade union federation, globally and includes many national trade union confederations. It has close links with the Global Union Federations (GUFs), i.e., the global occupational and industrial trade unions. The GUFs are international union organizations, and their members comprise national sectoral federations (Garaudel, 2020). They serve as the international representatives of unions organizing in specific industrial sectors or occupational areas. GUFs execute global campaigns and negotiate global framework agreements (GFAs) at the firm level. While ITUC is based on national centres, GUFs are based on industrial unions (Cotton and Gumbrell-McCormick, 2012). Global unions have a substantial impact on other international organizations, national governments, trade unions, non-governmental organizations (NGOs), and civil society organizations (CSOs) (Cotton and Gumbrell-McCormick, 2012). They engage their membership and act on behalf of the members to achieve their objectives. The global unions aim to promote labour rights at the transnational level and improve labour conditions, across the globe (Cumbers, Nativel and Routledge, 2008).

The need for transnational unionism is more pertinent than ever with the acceleration of globalization and the development of international financial institutions. Since the product and labour markets are evolving part of the global economy, the labour rights of workers, such as pay and conditions of work cannot be defended solely by the national level actors. Further, with globalization, the challenges of unequal power relations between the rich and poor nations are accentuated, along with the increasing power of multinational corporations (MNCs), leading to a rise in exploitative labour conditions (Cotton and Gumbrell-McCormick, 2012). Global unions aim to support members in issues faced with employers, both at local and international levels and to protect the working standards globally. One of the roles of global unions is coordinating the activities and strategies of the national union affiliates to fight downward pressures on labour standards by pooling resources and collective action. The GUFs' work has a prominent role in resisting such competitive downward pressures on national labour standards exerted by multinational corporations, mainly because the national or local unions don't have the resources to counter corporate policies and strategies without adequate support from international counterparts. In these situations, the GUFs help negotiate “Global Framework Agreements (GFAs),” which are agreements signed between a transnational corporation and a global union federation (GUF), whereby the corporation commits to respect social and labour

conditions throughout its global operations (Garaudel, 2020). Such company-level agreements may be entered in response to a lack of global regulation of labour standards as well as institutional frameworks for collective bargaining being deficient at the national and global levels (Garaudel, 2020). The GFAs must be global and explicitly recognize ILO's core labour standards. The GFAs, nonetheless, greatly vary in content and practical implementation realized at the ground level. In this regard, the local unions are important in ensuring that the GFAs are effectively implemented. The recent global developments have incentivized local unions to cooperate with global unions to take a unified stance against global labour issues, through coordination and joint action. The global unions' role in influencing MNCs' labour standards has become more prominent with the increase in mergers and acquisitions by these companies, across the globe, in recent times (Cotton and Gumbrell-McCormick, 2012).

Local unions stand for the protection of worker rights and labour standards at the local or regional level (Frost, 2000). They may or may not be affiliated with global unions. Local unions affiliate with the GUFs to gain power and resources to successfully defend worker rights, especially in an MNC context, and to gain legitimacy in the global labour network (Herod, 2001). Further, the local unions have a major role in implementing Global Framework Agreements (GFAs) at the ground level (Cotton and Gumbrell-McCormick, 2012). Without the active and independent involvement of local unions, the GUFs not only lack a democratic essence, but it is difficult for the global labour networks to make any substantial impact at the local level regarding protecting worker rights. The local unions have first-hand information on labour challenges faced by workers at the local level and understand local-level politics and power dynamics better (Lévesque and Murray, 2002). This helps them come up with strategies that can address the situation appropriately. Also, the local unions, through their organizing capabilities at the ground level, have the power to directly impact the workings of national and multinational corporations by controlling the labour supply until there is resolution of problems faced by the workers (Herod, 2001; Lévesque and Murray, 2002). Nonetheless, coordinating with global unions can strengthen the local unions to deal with challenges posed by corporations in the present-day globalized world. Studies have highlighted that the intervention of Global Union Federations (GUFs) in local organizing campaigns can provide workers with strong leverage (Niforou, 2015). Besides extending solidarity and negotiating GFAs, the GUFs help establish global union networks. These networks comprise union representatives from different sectors in different parts of the globe who communicate with each other and coordinate their actions whenever required (Cotton and Gumbrell-McCormick, 2012).

3. Labour Dynamics and Worker Rights in the Global Value Chains

The rise of global value chains has expanded opportunities as well as posed challenges for labour. The increasingly fragmented nature of cross-border production has several implications for labour conditions and worker rights. Globally, the GVCs are characterized by uneven social upgrading (Lee and Gereffi, 2015). MNCs have an active role in creating differential labour conditions for workers across different locations globally. The labour standards in GVCs are determined by complex interactions among factors such as global and local dynamics and institutional environments, the labour market dynamics, the strategies and goals of global buyers, the regulatory environment of the home country, and also the interactions among various private, public, and social actors, such as MNCs, suppliers, state, NGOs, unions, etc. (Lee, 2016). The global producers' or buyers' strategy affects the level and kind of employment available to the workers as well as the labour conditions in GVCs. Also, the location decision of MNCs influences the creation of jobs. The possibility of frequent change in the MNCs' locations can weaken the bargaining power of labour. Technological and production improvements etc., may result in the exploitation of labour through intensified work, increased

work hours, overtime work, and increasing employment of casual and temporary labour. An example of this is fast fashion, where workers are often hired in peak times and fired as soon as the peak is over. The workers remain vulnerable to exploitation through the strategies of global buyers and suppliers in value extraction unless adequate protections are made available. The regulation of labour standards in GVCs is particularly difficult in countries with less stringent labour laws. At times, developing countries relax their labour regulations to attract MNC investment or outsourcing orders, resulting in the degradation of labour standards in these countries. Such nations prioritize economic upgrading over social upgrading. Also, the local business owners and suppliers do not refrain from violating labour standards and worker rights to gain profits out of business opportunities, such as big outsourcing orders from global buyers, at the expense of labour. Such firms also may take advantage of political corruption in the country to bypass labour laws and achieve their business objectives. Labour market conditions such as rising unemployment further contribute towards precarious labour, as workers are willing to work at sub-standard wages and working conditions. The presence and activities of unions, NGOs, and CSOs as well as the national-level and local labour market regulation, determine whether labour standards are violated or protected in GVCs.

Worker rights may vary from nation to nation, but there are certain standard rights of workers in the international context. These rights are codified in labour laws and conventions. Some of the prominent rights of workers are the right to organize and the right to collective bargaining. The ILO's "declaration of fundamental principles and rights at work" was adopted in 1998 and includes other conventions, such as the abolition of forced labour and child labour and no discrimination at work, apart from collective bargaining (Anker *et al.*, 2003). The same was amended in 2022, to include a safe and healthy working environment as a fundamental right. Further, the advocates of worker rights have recommended other rights such as improvement in working conditions, social sustainability, right to a living wage, etc. To evaluate and promote labour standards, the International Labour Organization developed the idea of "Decent Work." Decent work is defined as: "*opportunities for women and men to obtain decent and productive work, in conditions of freedom, equity, security, and human dignity*" (Anker *et al.*, 2003). In its publication "*Measuring Decent Work*" (Anker *et al.*, 2003; Ghai, 2003), the ILO has explained six dimensions that comprise decent work: opportunities for work, work in conditions of freedom, productive work, equity in work, security at work and dignity at work (Anker *et al.*, 2003). The ITUC strongly supports the implementation of decent work in global value chains. The following section explains how labour dynamics and worker rights are influenced and shaped by the interaction of global unions and local unions in GVCs.

4. The Interaction between Global Unions and Local Unions in GVCs and its impact on Labour Dynamics and Worker Rights in GVCs

Certain key elements and aspects of the interaction between global unions and local unions in GVCs and their impact on labour dynamics and worker rights are described below.

4.1. Legitimacy, Power, and Influence of Local Unions in the Global Context

At the national level, the power, influence and authority of local unions is determined by their sense of accountability to their members, apart from their external authority among employers and the government (Frost, 2000; Lévesque and Murray, 2002). The relationship is more complex at the global level, where there may be tensions between what the local unions want and the broad principles of the international trade unions (Lévesque and Murray, 2002). For local unions in developing countries, interaction with global unions is important since they get the opportunity to build relationships with trade unions outside the national boundaries (Herod, 2001). At the onset of liberalization, many national unions faced foreign employers for the first

time; hence, local and national unions viewed affiliating with global unions as a source of prestige and resources to carry out union work successfully (Herod, 2001). The motivation of local unions to affiliate with global unions is driven by a desire for group identity and to obtain a platform for dialogue at the international level (Cotton and Gumbrell-McCormick, 2012). However, the benefits of affiliation to global unions vary for local unions.

Affiliation with global unions is particularly important for local unions to gain power and influence to resist the exploitation of labour by MNCs and to protect labour rights in the global economy (Herod, 2001; Jamie K. McCallum, 2013). The GFAs (Global Frameworks Agreements) initiated by the GUFs promote a top-down partnership style of relations of national affiliates with the MNCs, which can provide the local unions with resources such as a framework enabling the monitoring and enforcement of decent labour standards for all workers (Cumbers, Nativel and Routledge, 2008). The GFAs support local unions in their struggle against employers and build new local union organizations. However, such power remains elusive without effective and active grass root organizations that are independent of control either by the state or the MNC (Cumbers, Nativel and Routledge, 2008). Global union networks that are more effective in countering MNC power are best secured through developing independent labour organizations at the ground level. The power and influence of local unions in the MNC context are derived from the resources offered by the GUFs and that of their own resource base at the local level, such as the quantum of membership, the ability to mobilize, etc.

The failure of global unions to involve local union activists can lead to considerable friction within GUFs' networks, resulting in national affiliates entering into agreements with more established channels such as the global works council (Cumbers, Nativel and Routledge, 2008). The unions can further end up developing their own transnational networks based on mutual solidarity since power relations are equal in this case, and also, the connections and communications are open and respectful of the local context (Cumbers, Nativel and Routledge, 2008). Further, the local unions can control MNCs' access to labour in the local area with increased mobilization power and member strength. With increased globalization, unions are afforded new opportunities to organize transnationally. In this case, the unions engage in cross-border strategizing, wherein unions from two or more countries work together to leverage their influence and enhance their power through solidarity (Zajak, Egels-Zandén and Piper, 2017). This can overcome the fragmentation of labour and empower workers. Thus, often the local unions, not wanting to be tied down by GFAs, look at developing their own global networks. Nonetheless, the effectiveness of such networks in translating local and national agreements to global levels is inadequate. Hence, the local unions have to choose between cooperating with the MNCs, and shifting away from the GUF structure to create independent labour networks, in a careful and delicate manner, while keeping in mind the resulting impact on labour conditions.

4.2. The Dominance of European and North American Countries

The global labour networks created by the global unions have often characterized a dominance of the global north countries, especially the European trade union elitists, over the global south (Niforou, 2015; Barrientos *et al.*, 2016). The global unions are headquartered in Europe, and their membership and financial resources are concentrated there. The wealthiest countries contribute to the funds of global unions much more than other countries in the form of membership fees (Cotton and Gumbrell-McCormick, 2012). Resources, including finances, technical expertise and political influence are disproportionately distributed in global unions (Cotton and Gumbrell-McCormick, 2012). The affiliates from countries in Europe and North America have sufficient power and resources to block the GUFs' initiatives if they are

conflicting with national interests (Martins, 2020). Also, the executive committee members in global unions, which is responsible for policy-making, usually come from developed countries, which further contributes to the imbalanced global union structure (Cotton and Gumbrell-McCormick, 2012). This weakens the regional structures of other locations in the global union network. In this context, these regional organizations may act as mere recipients of policies and resources of global unions, with no actual power to influence their functioning.

Because of the dominance of the European and North American countries in the global union network, the interests of these countries are prioritized by the GUFs (Martins, 2020). This inflicts damage to the cause of improving labour standards and preventing labour exploitation in terms of GVC workers in the global south. The dominance of powerful countries in the operation of the GUFs, the GFAs, and the global union networks, threatens the democratic and participatory essence of global unions and is counterproductive to achieving its objectives of protecting worker rights and maintaining labour standards in all countries across the globe (Martins, 2020). In the case of GFAs entered by the GUFs with MNCs, these agreements are likely to remain merely superficial networks, reinforcing the imposition of European and North American corporate practices on unions in the global south unless union agency is firmly embedded in workplaces and supply chains of MNCs (Cumbers, Nativel and Routledge, 2008).

Therefore, irrespective of the global structure and operational mechanisms of the GUFs, it is pertinent that workers get the right to organize locally. The international mechanisms of the GUFs must allow workers to determine the best course of action for them rather than the dominant countries assuming the best approach unilaterally. Further, the GFAs work best in a multilateral setting where a large number of local unions are involved in the entire process (Sydow *et al.*, 2014). In fact, one of the primary conditions for implementing these agreements is the union's strength on the ground that it is capable of supervising and evaluating the implementation of the GFAs at the local level.

4.3. Diverging Interests and Ideologies

There are diverging interests of the GUFs and the local unions regarding priorities. For instance, issues such as child labour and forced labour are more likely to be subject to public scrutiny and ethical judgment and, therefore, will be prioritized by the GUFs over issues such as violations of rights pertaining to trade union recognition and collective bargaining (Niforou, 2015). The GUFs are often uncertain whether to represent the local and national interests of the workers or follow global strategies by prioritizing global interests. Overall the global union networks created by the GUFs, have been unsuccessful in accommodating the diverging local and global interests of members and creating a sense of “collective identity” (Niforou, 2015). The diverging interests between GUFs and local unions as well as among different local unions, may force unions into conflicts with each other to retain power and members’ interest at the local level. Such conflicts may be further accentuated by the strategizing efforts of MNCs, who have the power to set workers off against each other, to further their goal of value extraction through labour exploitation (Cumbers, Nativel and Routledge, 2008).

Further, international trade unions are characterized by conflicting ideologies and identities. Geographical differences are one of the primary causes of cleavages among members of global trade unions (Cotton and Gumbrell-McCormick, 2012). The ideologies, practices, and priorities of unions in developed nations greatly differ from those of developing countries within the global union networks. The vast differences in cultures and political background between various unions in GVCs make coordination and cooperation among unions at the global scale tough.

It has been observed that the regional or local unions are increasingly focusing inwards on their own region (Cotton and Gumbrell-McCormick, 2012). This also poses a threat to global unions. The unpopularity of global unions among certain local unions could be the result of the lack of response of global unions to local-level issues. This may happen particularly when the local union member is not significantly contributing towards global issues or the collective good (Kahler, 1992). Next, the affiliation of local unions with global unions may, at times, be driven by political self-interest and not for the purpose of benefitting workers. An example of this is when local unions want to push for the foreign policy objectives of their own government. Similarly, global unions often act in accordance with their political objectives to maintain good relations with powerful nations and MNCs, thereby defeating the purpose of addressing global labour issues in the true sense.

For global unions, it is important to integrate information from a diverse group of members and drive common values and priorities among all members by taking cognizance and care of ideological differences and diverging interests among the members. Also, it is essential for the global unions to adequately consider the local unions' interests and ideologies and not just concern themselves with their own interests, modalities, and goals. This will help address ground-level worker challenges and retain the support of the local unions.

4.4. Vertical vs. Horizontal Approach of Global Unions

The various GUFs differ regarding the relative importance they place on regional focus in their global expansion strategy. Based on this, the GUFs can follow a vertical or a horizontal approach in their strategies (Sarkar and Kuruvilla, 2020). In the case of a verticalist strategy, the global union flows a hierarchical governance mechanism. In contrast, in a horizontalist strategy, the GUF enables its affiliates to collaborate with local organizations and social movements to empower them (Cumbers, Nativel and Routledge, 2008). Some GUFs place importance on "horizontal embeddedness," i.e., bonding with affiliates in developing countries to realize membership growth through local campaigning (Sarkar and Kuruvilla, 2020). On the other hand, some GUFs focus on "vertical embeddedness" i.e., global organizing by forming sector-based unions to protect core labour standards internationally by negotiating GFAs (Hammer, 2005). In this case, the GUFs expect this to trickle down to local-level bargaining success (Jamie K. McCallum, 2013). Such GUFs cater to affiliates' interest in regional campaigns only under specific conditions like a proven track record of the affiliate and the availability of sufficient resources. Local unions' inability to voice their needs and implement their local strategy also has a substantial role in the prominence of vertical embeddedness strategy of GUFs. Given the strategy differences, the local unions associated in the former category of GUFs are not as autonomous as those affiliated with the latter type. However, despite the autonomy provided to the local unions in case of the latter, there exist conflicts among the different unions on the basis of ideology differences. Such concerns were not seen in case of those affiliated with the former type of GUFs due to their global campaign strategy and top-down approach. The downside of this strategy, however, is that it results in local strategies and organizing capabilities taking a back seat. Hence, the affiliates lose organizational strength, experience, and capability to organize and also lack adequate freedom and independent voice in the global campaign structure, resulting in a lack of positive local outcomes. The "verticalist" power structures within GUFs can be problematic to developing more horizontally embedded global union networks. When global campaigns empower local unions and workers, they are enabled and encouraged to participate in campaign's decisions and hence, their bargaining power is enhanced at the local and national levels. Whether "born local" or "born global," the campaigns must be "articulated" at the local level to meet the interests of local workers and not merely the strategic interests of the GUF (Sarkar and

Kuruvilla, 2020). This would help improve union power and collective bargaining in the less developed global south countries.

The importance of a horizontalist strategy rather than a purely verticalist one can be understood in the context of the operationalization of the Global Frameworks Agreements (GFAs) at MNCs (Cumbers, Nativel and Routledge, 2008). In GFAs, the MNCs agree to abide by core ILO standards in their global business operations. Often the leadership of GUFs at the headquarters attempt to exert their control over GFA administration rather than encouraging power dispersal to local levels. This practice, however, does not work. This is because, in most cases, the GUFs are not in a position to monitor or enforce such agreements due to a lack of resources. In practice, therefore, the MNCs rarely impose the originally agreed labour standards and conditions, globally, and tend to follow only the international minimum labour standards. Further, the problems with such agreements are that they have no legal status as global agreements. Hence the GFAs often fail to guarantee labour rights and address many of the core labour issues faced by the workers. In such a scenario, implementing GFAs depends on unions and workers deciding to act at the ground level. GFAs' chances to become functional and effective increases when the local unions have considerable autonomy and are empowered at the global scale. This is possible when the global unions follow a horizontal approach in their strategy.

4.5. Other Aspects of the GU-LU Interaction

4.5.1. Identity Work of and Dilemma faced by Local Union Leaders

An interesting area of local union-global union interaction is the “identity work” of local union leaders (Sarkar and Kuruvilla, 2020). The way the top leaders of local unions frame and present their problems with the transnational actors in GUFs has a considerable impact on fostering shared norms and trust and building social ties that can facilitate mobilization across countries. The strategic orientation of the union leaders and workers can either be that of “co-managers” or “political entrepreneurs” (Greer and Hauptmeier, 2008). Political entrepreneurship implies the unions' exploration of transnational strategies. In this case, the unions aim to use transnational collective bargaining to regulate the restructuring processes of companies. On the other hand, in the case of co-management, the management provides trade unions with decision-making powers. This particularly happens when the trade unions are in close proximity to the company's global headquarters. However, this strategy has risks as the leaders may be inclined to align their interests with the MNCs and defend national or regional value capture to boost the regional economy, through the exploitation of labour, rather than protecting labour interests (Cumbers, Nativel and Routledge, 2008). Hence, the local unions may be lured to join hands with the corporates, who strategize at the local level to get the workers to cooperate. In this case, key union actors at the national or regional levels become involved in productivity bargains within the GPNs, and that can act against the interest of workers at all scales- from local to global (Cumbers, Nativel and Routledge, 2008). The union leaders are continually affected by the dangers of aligning with corporate interests instead of remaining loyal to international solidarity. At the local level, the union may agree to lower labour standards, such as working at lower wages and increased work hours, to protect jobs and attract investment for the employment of more workers (Coe *et al.*, 2004). To avoid such problems, the local unions must be empowered to act independently within the GUFs. Without emphasis and attention to local ownership and activism among the unions, the unions will likely become “accomplices” to impose corporate governance practices, and thus, the unions may become “co-opted” into the global production strategies reinforcing exploitation rather than seeking to

address the core problems faced by labour (Cumbers, Nativel and Routledge, 2008). This would defeat the very purpose of the unions- both local and global.

4.5.2. The Impact of Sectors and Nature of Employment

The prominence of global unions vis-a-vis local unions also depends on the sector where the unions operate. In certain sectors, such as food or industry, there is a large presence of MNCs, which fuels the need for local unions to affiliate with global unions to gain a counter power against the MNCs. However, in sectors such as agriculture or textile, there is a lesser presence of MNCs. Hence, local unions gain prominence over global unions since solidarity actions are better executed at the local level than at the international level. Further, the expansion of the services sector, accompanied by a decline in the industrial sector, has resulted in the decline of membership of local unions from developing countries in the GUFs (Cotton and Gumbrell-McCormick, 2012).

Next, with the rise in engagement of temporary workers and the expansion of gig and platform economies across the globe, there has been increasing in insecure and precarious working conditions. A burgeoning informal sector in developing countries has also fostered such conditions. The factors causing this are the deregulation of markets and boosting employment flexibility, with the rise in neoliberalism, thereby empowering employers. In line with contemporary changes, many GVCs are shifting from a production-based to a market-based governance structure and rationalizing their production processes, leading to the exploitation of labour through looser labour contracts, anti-union policies, etc. (Riisgaard and Hammer, 2011). Certain industries, such as the banana and flower industry, etc. are characteristic of union repression and exploitation of labour. Unions' power in countering labour challenges faced by workers under looser employment contracts is limited in various countries for several reasons, including legal challenges. In such contexts, the involvement of global unions is essential for signing GFAs, which can help regulate labour standards in such industries and employment forms in the GVC.

4.5.3. Local Unions' Positioning at the International Level through National Base, i.e., Organizational and Political Factors

Trade unions continue to play an important role as social actors in the regulation of the global economy, given their influence on labour regulation at the national scale (Cumbers, Nativel and Routledge, 2008). However, despite global integration efforts, economic practices remain diverged considerably at the national level. While some union actors gain power, others become side-lined and therefore, lose power due to uneven organizational and political geographies within the GPNs. For example, the UK and US-based unions, as well as Brazil and South Africa, have enjoyed growth in legitimacy and union strength due to reasons such as social relations and broader social changes. Whereas at the same time, many of the global south unions have become non-existent or outlawed by the national governments. Hence, while some actors are empowered, some are marginalized within the GPNs, due to various organizational and political factors within the nation. The political and organizational base provided by the nations can, hence, either positively or negatively influence union positioning at the international level. Such differences among nations and geographies lead to substantial tensions and conflicts within the global union networks.

4.5.4. The Use of Modern Technologies

In the international setting, communication and coordination among unions are difficult, given differences in geographic location, culture, and organizational and political differences (Cotton and Gumbrell-McCormick, 2012). To address such challenges, the unions' use of modern technologies to communicate and coordinate union activities is on the rise. The unions have been exploring novel ways to organize in order to cater to workers under new work arrangements and new industries, by using online campaigning, recruiting, etc. The unions are evolving to use new technologies such as digital platforms, AI, and social media to reach out to a large number of workers and members and coordinate their actions (Flanagan and Walker, 2021). These platforms and technologies are being used to further the goals of the unions and organize at a transnational level to address labour challenges and problems at a global level. New technologies have enabled local unions to form global networks and garner transnational solidarity, with or without the involvement of global unions. However, the effectiveness of such new methods and techniques depends on how they are used and several other factors (Cotton and Gumbrell-McCormick, 2012).

4.5.5. GVC Governance

GVC governance is foundational to the social regulation of value chains and provides the ground for labour campaigns, framing labour standards, emergence of new labour organizations and GFAs (Riisgaard and Hammer, 2011). There are fundamental differences between buyer-driven and producer-driven chains regarding the power dynamics and the strategic options available to labour for resisting labour exploitation and protecting worker rights (Ponte and Sturgeon, 2014). For example, in producer-driven chains, most closely associated with the hierarchal and relational governance forms, the labour can coordinate with a relatively stable management structure using structural power (Ponte and Sturgeon, 2014). On the other hand, in market-based relationships, labour may find it difficult to tackle MNCs' leverage and strategic initiatives to impose labour standards across the value chain. Here, associational power through labour agency forms such as the national trade unions, the GUFs, the NGOs, the CSOs, etc., is pertinent to ascertain labour rights. Instruments such as the GFAs have proved vital in introducing minimum labour standards in industries characterized by market-based relationships (Riisgaard and Hammer, 2011).

5. External Actors' Influences on the Global Union-Local Union (GU-LU) Interaction

The local and global trade unions interact with external actors to achieve their goals and objectives. Such actors influence the nature and process of interaction between the global unions and the local unions in GVCs. They also influence the promotion of labour standards and enforcement of worker rights through global and local unions. The major external actors and their role in influencing transnational unionization, labour dynamics, and worker rights in GVCs are described below.

5.1. ILO and other International Organizations

With increased globalization in recent years, international labour relations have gained greater prominence within the International Labour Organization (ILO) and the United Nations (UN) system. The ITUC engages extensively with various international level actors, such as the ILO and the UN institutions. Given a deeply interlinked history, the ILO and the ITUC confer recognition and legitimacy on each other (Cotton and Gumbrell-McCormick, 2012). The "decent work" agenda launched by ILO in 1999, was strongly supported by ITUC. It further called for a new ILO standard to regulate decent work in GVCs in 2016 (Posthuma and Rossi,

2017). The ILO core conventions guide the global implementation of labour standards and upholding worker rights. Also, various unions, such as the tea sector unions in developing countries, leverage the institutional power of ILO in the form of national and international standards to promote decent work for workers at the ground level of GVCs (Thomas, 2021). Bilateral and multilateral trade agreements facilitated by the ILO can impact social upgrading through appropriate clauses in such agreements.

In GVCs, the ILO mediates between the governance of labour standards at the national and international levels. It plays an active role in bringing together public and private stakeholders, both at national and international levels, such as trade unions, CSOs, etc., to take action against labour problems in the global setting through collaborative action and dialogue (Posthuma and Rossi, 2017). An example is the “Better Work Programme,” wherein ILO partners with the International Finance Corporation and various actors at the national and global levels, including unions, to improve working conditions. Further, the ILO, along with other international organizations, acts as an arbitrator between the GUFs, national trade unions, and global buyers while promoting labour standards in the process (Posthuma and Rossi, 2017). The unions have their own organizational structure within the ILO, known as the “Bureau for Workers’ Activities,” and influence the workings of the ILO in promoting worker rights globally.

New governance mechanisms, such as soft laws and policies and the emergence of new global institutions, have transformed the traditional governance modes and roles of international bodies such as the ILO (Baccaro and Mele, 2012). These laws are principles declared by the ILO, that do not have any binding power, and only express broad goals. The national governments, trade unions, employer organizations, NGOs, and CSOs are expected to be actively involved in implementing such laws, both at the national and international levels.

5.2. National Government

Apart from the ILO and other International Organizations, the national government executes a crucial role in the public governance of GVCs (Lee, 2016). The state formulates and implements laws and regulations applicable to GVCs at the local levels concerning labour standards and worker rights. Other regulations, such as anti-competition laws, foreign investment policies, and immigration regulations, can also impact GVC operations at the national and local levels (Lee, 2016). The interaction between local unions and global unions is shaped depending on the national government's priorities, strategies, and goals.

The national government may, at times, prioritize the implementation of ILO conventions and international labour standards, in which case, the local union may collaborate with global unions to achieve the objectives of the national state government. Affiliating and coordinating with global unions may also prove useful when the national government lacks interest or fails to take action in matters of labour rights violation in MNCs. This may happen with the nation-state prioritizes rapid economic growth and wants to promote ease of doing business, to attract investment without giving much importance to labour standards and worker rights (Coe *et al.*, 2004).

When local unions have active government support in matters of labour, they are in a better position to counter MNC power in matters of labour exploitation and also create global, transnational networks on their own. They may not have to depend on global unions, solely. Government support is further important for unions to organize at local levels and gain legitimacy and member strength. Hence, national governments can facilitate the empowerment of trade unions (Cumbers, Nativel and Routledge, 2008).

5.3. NGOs and CSOs

The transnational union networks, NGOs, and CSOs, and their interactions play a crucial role in shaping labour dynamics in the global and local contexts (Jackson, Kuruvilla and Frege, 2013). The transnational union network help in organizing and bargaining at the global level. And the NGOs and CSOs help achieve the goals of the unions in specific regions and often for certain causes. The NGOs and CSOs can provide additional power to labour by collaborating with the local unions (Niforou, 2015).

The unions, along with the NGOs and CSOs, facilitate “social governance” in GVCs (Lee, 2016). Social governance through NGOs and CSOs involves protecting worker rights and labour standards through activism, protests, naming and shaming, boycotting, petitions, etc. This is different from union activities such as collective bargaining and strikes etc. Both types of actions, when used together, are more powerful in resisting MNCs’ power in scenarios of labour exploitation and violation of worker rights. This also impacts the global union-local union interaction as the local unions are more empowered at the grass-root level. To expand the horizontal embeddedness of local unions, the global unions may help the local unions build new local union organizations and collaborate with local NGOs in implementing GFAs since the NGOs are more locally embedded.

5.4. Consumers’ Role in Labour Governance in GVCs

Consumers have an increasingly important role in the governance of labour. Private actors such as NGOs and CSOs harness the “consumer power” to regulate work and employment, corporate behaviours, and promote decent work in GVCs (Thomas, 2021). Consumers can shape labour standards in GVCs by choosing whether or not to buy particular products and services (Ponte and Sturgeon, 2014). Their choices may be affected by NGOs’ actions to raise awareness regarding labour rights violations by MNCs through programmatic efforts, thereby leading to boycotting of the MNCs’ products or services. With the efforts of various consumer groups, NGOs, and CSOs, the MNCs have been providing “voluntary certifications” which show that certain product in the value chain has been produced in a socially responsible and ethical manner (Raynolds, 2018). These certifications can enhance worker power by providing opportunities for a transnational coalition. With the rising power of MNCs as well as consumers and the declining power of workers in the transnational context of current times, the active involvement of consumers is even more pertinent to improve labour standards in GVCs (Thomas, 2021). In cases of violation of labour standards by MNCs, the global union networks enable the local unions to collaborate with unions in Western countries to bring such violations to the knowledge of Western consumers, who then tend to refrain from consuming their products. The consumer action forces the MNCs to regulate labour standards and enforce worker rights in their global production networks, especially in the global south.

5.5. Stakeholder Network

A stakeholder network wherein all stakeholders concerned with labour in GVCs- the MNCs, the western consumers, the NGOs, the CSOs, the ILO, the international and local unions, the local government, and other local actors, are strongly linked with grass-root level activism to promote global labour standards (Jackson, Kuruvilla and Frege, 2013). Apart from the individual impact of such actors, the interactive effects of the actions of the actors also influence the global unions and local unions. For instance, in the case of the interactions happening among the local and global trade unions, the NGOs, self-organized worker groups, the grass root community organizations in the form of cross-organizational networking within networks of labour activism, there are associated learning processes, which shape the way these actors behave (Zajak, Egels-Zandén and Piper, 2017). Also, the trade unions may seek to

cooperate with NGOs and social movements to compensate for their lost structural or associational power, despite conflicts and ideological differences, because the latter possess discursive and social powers. This highlights the need for interactive power for labour activism to be effective at the grass-root level (Niforou, 2015; Zajak, Egels-Zandén and Piper, 2017). In such networks and associations, the trade unions are no longer considered central players as other actors and labour activist groups are also involved in promoting labour standards and protecting worker rights, along with the trade unions, in the GVCs.

6. A Framework on Global Union-Local Union (GU-LU) Interaction

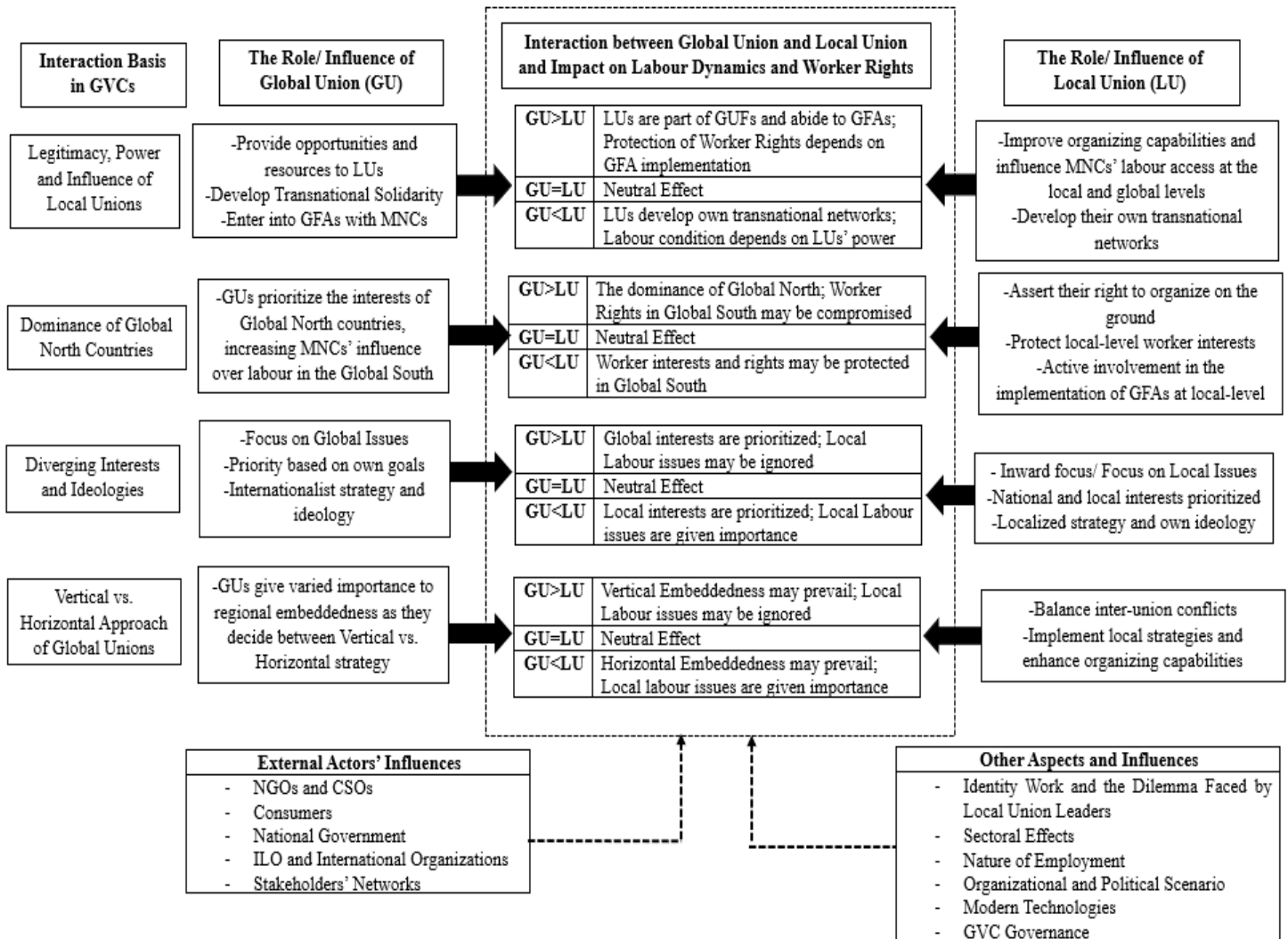


Figure 1. Framework on the Interaction between Global Union (GU) and Local Union (LU) and its Impact on Labour Dynamics and Worker Rights in GVCs

*GU >/<= LU: Global Unions (GUs) have greater/lesser/equal power and influence compared to Local Unions (LUs)

The framework, as depicted in **Figure 1** above, represents the role and influences of global and local unions and their interaction in shaping the labour dynamics and worker rights in GVCs. As described above, five bases of interaction in the GVC context have been used to delineate the influences and interaction effects of global unions and local unions. These are the legitimacy, power, and influence of local unions, the dilemma faced by local unions, the dominance of global north countries, the vertical vs. horizontal approach, and diverging interests and ideologies. The interaction effects are classified under three scenarios. In the first scenario, the effects on labour dynamics and worker rights, in the case where the influence of

global union is greater than that of local union (i.e., $GU > LU$), is outlined. In the second scenario, both global and local union influences are equal ($GU = LU$). In this scenario, the interaction of global and local unions can have a neutral effect on labour dynamics and worker rights in GVCs. However, in many cases, even when both influences balance each other, the ultimate impact on labour will depend on various ground-level circumstances. The last scenario is when the influence of local unions is greater than that of global unions (i.e., $GU < LU$). In this case, the local unions have greater power, influence, and organizing abilities. They are also empowered at the grass-root levels through collaboration and associations with other local actors and organizations. Hence, they may be in a better position to defend worker rights at the local level. Nonetheless, the power of global collaboration and transnational solidarity gained through associating with global unions must not be undermined, as this is extremely important in the globalized context. Further, various other factors influence the interaction between global and local unions and determine labour dynamics and worker rights in GVCs. These include external actors such as the ILO, the NGOs, the consumers, and other external influences such as the impact of the sector and the nature of employment, the GVC governance, etc. Based on the discussion, both the local unions and global unions must work together, in collaboration with external actors, to protect labour standards and worker rights effectively throughout the GVCs.

7. Conclusion

This paper discusses various crucial aspects of the global union-local union interaction and their role in shaping labour dynamics and worker rights in global value chains. Certain challenges and complexities of operating in GVCs, faced by the unions, such as the diverging interests and ideologies, the dominance of global north unions, and the dangers of unions being co-opted with MNCs in the production process, have been explored in the paper. Given the complexities of GVCs, both horizontal and vertical dynamics are important in improving the working conditions and providing leverage points for labour (Niforou, 2015). The local unions must collaborate with global unions and other actors at the local and global levels to improve working conditions in the GVCs. Hence, the leverage points for labour are local unions' affiliation with GUFs and their collaboration with international bodies, the national government, local NGOs and CSOs, and other grass root level organizations, leading to coordinated action to address labour challenges workers face in GVCs. Also, consumers play an important role in shaping the actions of MNCs in adhering to labour standards and promoting decent work across the global value chains. In the present-day globalized context, solidarity and joint action are of utmost importance to resist labour exploitation and violation of worker rights by MNCs, in the GVCs.

8. Limitations

An important limitation of this study is that it does not concern a large number of workers in GVCs since only a small fraction of workers in GVCs are unionized (Cumbers, Nativel and Routledge, 2008). Unions represent only a particular fraction of the working class in the global economy and are representative of only particular geographies. Hence, the study does not cover problems and challenges faced by the non-unionized workers in GVCs. Despite unionization and coordinated efforts by global unions and local unions to prevent precarious labour, the results are not very effective due to low levels of unionization among precarious workers (Cotton and Gumbrell-McCormick, 2012). The reason for low unionization includes the lack of knowledge and exposure, especially among ethnic minorities, and perceived threats such as job loss and victimization. Further, many countries have legal constraints on the rights of workers under "atypical" employment contracts to organize and collectively bargain. Next, the global lead firms' preference to work with large suppliers that can comply with labour and

environment standards, due to pressures by global and local unions, NGOs, CSOs, and consumers, puts workers employed with smaller suppliers at risk since they are increasingly marginalized (Lee and Gereffi, 2013). This may lead to further labour exploitation and violation of worker rights in the case of the workers employed with small suppliers. This paper has not adequately explored this aspect of labour dynamics in GVCs.

9. Future Research

Given these limitations, future research in the domain may explore the labour dynamics and enforcement of worker rights in the case of non-unionized workers in GVCs. Also, matters such as labour exploitation of workers under “atypical employment contracts” and emerging employment contracts such as gig and platform work, including the role of global and local unions in ascertaining labour rights for these workers, can be explored in future studies. Further, the negative effects of campaigning efforts by global and local unions on workers in GVCs, such as the marginalization of workers engaged with smaller suppliers, along with solutions to such problems, can be explored in future studies.

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