The Transatlantic Labor Dialogue: Minimal Action in a Weak Structure

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The "new" in the New Transatlantic Agenda (NTA) is the shift in emphasis from Cold War security issues to economic integration as the central pillar of transatlantic relations. The NTA and its various follow-ons (the Joint Action Plan, the Transatlantic Economic Partnership agreement and its action plan) naturally emphasize government-to-government relations. However, the NTA also acknowledges the need for closer transatlantic relations between other social actors—either to promote economic integration or to provide a social logic to rationalize it (Pollack and Shaffer, chap. 1 in this volume).

Organized labor is certainly one such actor. The institutionalization of trade unionism was an important stabilizing force in twentieth-century capitalist democracy. Now, as economic integration stretches markets across national borders, national solutions to the "labor problem" are increasingly threatened by circumstances outside domestic control (Tilly 1995). While industrial conflict remains at historically low levels, it would be both foolish and historically ignorant to discount the possibility of it reemerging with a vengeance unless new social institutions cushioning the impact of global economic forces can be constructed (Polanyi 1944; Rodrik 1997; Kapstein 1999).

The Transatlantic Labor Dialogue (TALD) is a government-sanctioned dialogue between the American peak labor federation, the AFL-CIO, and its European counterpart, the European Trade Union Council (ETUC). It was initiated at the behest of the two confederations with the support of the US Department of Labor and Directorate-General V (Social Affairs) of the European Union in 1996 as a mechanism for trade union input into the NTA process.
The empirical record of the TALD to date is not extensive: just a handful of meetings, typically piggybacked onto other labor events, with modest agendas and minimal expectations. Unlike the Transatlantic Business Dialogue, the TALD has no organization or staff. Merely trying to find out what transpires at its meetings can be an exercise in frustration. In sum, there is little to indicate that either labor organization has given the forum any serious attention. Not surprisingly, the dialogue has had no discernible influence on EU or US policy.

Despite its bilateral origins, the AFL-CIO and ETUC have chosen to use the TALD as a multilateral forum. The substantive issues addressed by the TALD have invariably been multilateral or global, not bilateral or transatlantic. And, procedurally, the two union organizations have elected to open the TALD to participation from two broader international trade union organizations, the International Confederation of Trade Unions (ICFTU) and the Trade Union Advisory Council to the OECD (TUAC).

Thus the Transatlantic Labor Dialogue to date is neither robust nor transatlantic. There are several factors that can account for this. First, the transatlantic economic integration project is, at best, partial: many economic arenas, including labor markets, remain overwhelmingly local and/or national. The “functional” task of transatlantic labor activity, when one moves from the abstract to the concrete, is not compelling. Second, the TALD is constructed around two organizations that are not directly compatible, neither of which has much authority over its members. The ETUC is a transnational confederation of national labor federations, focused on (and just beginning) the long, slow process of reconstructing European industrial relations through the development of neocorporatist institutions at the EU level. The AFL-CIO, a national federation of national unions that is the political voice of American labor but has no direct role in collective bargaining, has its attention focused on the global strategies of American firms to shift employment from unionized US workplaces to low-cost locations in less developed countries. From their respective locations, it is not apparent why either the AFL-CIO or the ETUC would see the transatlantic axis as critical for labor in the present phase of globalization. Third, the ideological and institutional design of the NTA (and its follow-ons) essentially precludes labor input into the substantive process of economic integration. The labor organizations are not blind to this and cannot be expected to invest scarce resources in a process that accords them little input.

The slightness of TALD stands in contrast to the events surrounding the recent Third Ministerial of the World Trade Organization in Seattle, where American and European unions were key players in the coalition that helped forestall agreement on the agenda for a new round of multilateral trade and investment liberalization efforts. Paradoxically, this capacity has not arisen from greater transnational labor coordination in response to economic integration. Instead, it is the result of old-style labor politics, the assertion of influence by national union movements in the traditional sphere of domestic politics.

In this chapter, we consider the TALD in light of contemporary industrial relations and international relations theory and events. In their introduction to this volume, Pollack and Schaffer argue that economic integration, the end of the Cold War, and the emergence of the European Union as a supranational political entity have, under the aegis of the NTA, led to the development of new forms of international governance. We find, at the transatlantic level, that the contribution of organized labor to this process has been small. Indeed, as other public and private interests begin to shape the governance architecture of transatlantic space, we account for organized labor's absence by observing the tentativeness of its transnational initiatives even in more established arenas (such as the EU), in contrast to the renewed vigor with which the unions are flexing their domestic political muscles.

We see a dilemma here. The unions, under intense assault and with limited resources, necessarily focus their energies where their influence is greatest, which is inevitably the domestic sphere. Recognizing the declining (if still significant) influence of nation-states, they also look to construct transnational institutions, especially where these can support (or "buttress") effective domestic arrangements. But there are an infinite number of ways in which labor can be organized transnationally, and the unions, not eager to squander resources or duplicate effort, naturally focus their attention on those that seem most promising.

The fundamental essence of the NTA is the neoliberal project of transatlantic product and financial market integration. The TALD is not a serious effort to moderate the enthusiasm with which this task is carried out; nor is it designed to encourage the input of organized labor into these efforts. After an early burst of enthusiasm, the AFL-CIO and ETUC seem to have concluded that the TALD's potential is too limited to justify redirecting energy away from other initiatives to it. While this may be in one sense rational, the strategy of allowing the TALD to languish, while not actively repudiating the basic architecture of the NTA, risks abdicating the field of transatlantic economic governance to business and other interests, foreclosing any effort to build in a labor voice.

The TALD is neither a nascent transnational industrial relations institution nor an example of real transnational civil society dialogue. For the labor federations, it is simply an occasional forum for articulating their broad sympathies. For the governments, it provides a soporific of civil society "cover" to a fundamentally neoliberal economic integration agenda.

In the first section of this chapter we provide a very spare overview of the industrial relations environment in which the TALD has arisen. In the second section we summarize, chronologically, the activities of the labor dialogue since its inception. In the third section we look at the activities of the labor federations around the issue of core labor standards and the WTO, a topic the parties have addressed in the TALD and one that has been the focus of considerable attention of late. In the final section we make a few tentative conclusions.
INDUSTRIAL RELATIONS BACKGROUND

United States

The most notable feature of American industrial relations, at least in comparison to Europe, is the very low level of union representation. Only about 14 percent of the workforce is organized in unions in the United States, even less in the private sector. Because representation is all or nothing in the US (workplaces are either unionized or not) and because most American employers are not organized, competition between union and nonunion workplaces in many American industries is a fact of life. The existence of the nonunion alternative provides American employers with significant incentives to evade unionization. US labor law supports this behavior by imposing a number of tests that unions must meet before new bargaining units can be certified. Moreover, US labor law lacks effective sanctions on employer misconduct in the organizing process (Rogers 1990).

Union organization in the US is highly fragmented. The basic unit of American industrial relations is the "bargaining unit." This is almost always a small group of lower-level workers at a particular job site. Local unions typically represent a single, or at most a handful of, bargaining unit(s), and collective bargaining agreements are normally negotiated for individual bargaining units. Only a few national unions in the US engage in collective bargaining at a more centralized level. Otherwise, national unions exert influence on the activities of their locals primarily through providing (or denying) strike support.

In the US industrial relations are limited to a narrow set of labor market issues. Strikes are only legal in support of collective bargaining efforts, not for political reasons. Moreover, the scope of collective bargaining is restricted by segregating issues into "mandatory," "permissive," and "prohibited" subjects of bargaining. The parties are only compelled to discuss mandatory bargaining issues—those involving wages, benefits, and working conditions. American industrial relations are characterized by wide managerial discretion on most workforce issues, as crystallized in the notion of "management rights."

In combination, these factors mean that organized labor in the United States lacks the degree of social legitimacy attained by many European union movements. American employers do not, on balance, accept union representation as a legitimate constraint on their activities. Nor is organized labor accorded special status nationally as representing the general interests of the working class. American unions function as, and are taken to be, member-driven special interest groups (Bok and Dunlop 1970).

The AFL-CIO

At the head of organized labor in the US is a single peak association, the AFL-CIO. It was created in 1955 with the merger between the American Federation of Labor and the Congress of Industrial Organizations. The AFL's roots were in late nineteenth-century craft unionism, while the CIO arose in the 1930s as a vehicle for organizing the less-skilled industrial workers that the AFL had until then ignored.

In recent decades, as both craft and industrial unions have seen their influence decline, the AFL-CIO apparatus has increasingly been taken over by representatives of the new growth sector in American labor—private and public services. The AFL-CIO elections of 1995, in which for the only time in its history the federation witnessed a significant leadership change, provided a major spur to this transformation. As a result, the federation has in recent years taken on a more visible role in trying to organize the service sector and fight efforts to "privatize" public services.

However, in the absence of a direct material interest in global economic integration, American unions in the craft and service sectors have mostly left international economic policy to the industrial unions. Likewise, the AFL-CIO, under no obligation to craft a position representative of the entire American working class, has refocused its international agenda to reflect the interests of the industrial unions.

For all of these unions, the import surge that began in the mid-1970s coincided with enormous membership losses. New job growth in the US in recent years has not restored their previous condition, as workers in new jobs have generally not joined the same unions in which jobs have been lost or, for that matter, any union at all. The job- and worksite-specificity of union membership in the US compels American industrial unions to fixate on the issue of job preservation. The AFL-CIO's international economic agenda reflects the threat that low-wage competition presents to the viability of these unions.

European Industrial Relations

There exists considerable variation in the organization of industrial relations across Europe. Unionization levels vary from over 90 percent of the workforce in Sweden to under 10 percent in France. In France and Italy, unions are overtly political and their contributions to industrial governance result as much from direct interaction with the state as with employers. The role of the state is quite different in Germany, where it lends legal and institutional support to unions and employer associations but otherwise abstains from direct intervention into industrial relations matters. It is still different in Britain, with its common law tradition of voluntarism and informality, and different again in Spain, where government intervention into industrial relations has from time to time been more, to say the least, heavy-handed (Crouch 1993). Union organization, the nature of collective bargaining, the degree to which industrial relations are centralized—in these and other fundamental ways there are almost as many different ways of doing things as there are countries in Europe.
Moreover, industrial relations diversity is only one manifestation of very deep differences in social organization across Europe. These differences are also evident in the organization of welfare states, in systems of education and training, and in work organization regimes (Esping-Andersen 1990; Maurice, Sellier, and Sylvestre 1986). Substantial convergence among European labor market, social welfare, and industrial relations regimes in the near future is unlikely.

In some European nations, the role of unions in economic governance is not limited to traditional labor market issues but extends to overall macroeconomic policy. Influence can be direct and intentional, as in Sweden, where left governments and encompassing representation have supported a strong role for organized labor in setting economic policy. In Germany, however, the influence of unions is indirect. Prior to European monetary union, outcomes from centralized wage negotiations were a critical factor in German central bank monetary policy. It is a commonly held view among European trade unionists, and the position of the ETUC, that this is an entirely appropriate role—one that union organizations should strive to play (ETUC 1999).

The development of European industrial relations is in its infancy. The EU is a recent creation with limited powers. Important legislation and policy making still require the consent of most or all the member states, and EU authority in this area is very highly circumscribed. Whatever it is, EU-level industrial relations is something far short of a comprehensive labor code and industrial relations system. Rather, the “social chapter” and other related EU industrial relations laws and practices are merely designed to harmonize certain technical norms in the field of health and safety that might otherwise serve as non-trade barriers, provide minimal standards in areas that might otherwise prompt a “race to the bottom” inside the EU, encourage some concertation among European peak associations, and secure uniformity on a limited number of areas affecting working conditions and information and consultation rights for workers.

There are strong disincentives for well-established national unions to cede authority to Brussels. The foundations of trade union organization everywhere in Europe are at the level of the nation-state, and union effectiveness is directly related to national legal and institutional supports. Comparable capacity does not yet exist in the EU, if it ever will.

To the extent that a European system of industrial relations is developing, it bears little similarity to the American system. The European concept of social partnership has no analogy in American industrial relations. Works councils, whether of the strong (German) or weak (European) sort, are alien to the American scene. And while the pursuit of “flexibility” may be the fixation of employers in both locations, this shibboleth has not been used in Europe to reinforce deep-seated antinomian prejudice to the extent it has in the US. Although the construction of an EU industrial relations framework has just begun and its outlines are barely evident, organized labor has already achieved greater status and a larger formal role in economic governance in Europe than is conceivable in the US (Rhodes 1995).

The ETUC

The ETUC must accommodate a hugely diverse set of member interests. Diversity in industrial relations (and in economic and social organization more generally) across Europe guarantees that the interests and preferred strategies of different national union movements in Europe will differ (Goetschy 1996).

At the same time, because diversity engenders different competitive strategies within Europe, international competition can be viewed as an intra-European as much as a global condition, and one that, given the current distribution of political resources, is much more likely to be effectively addressed (which is not to say very likely) at the European, rather than the global or certainly the transatlantic, level.

The ETUC plays a secondary role in many core areas of industrial relations in Europe, which are still governed primarily at the national and/or local level. By far, the primary channel of influence for the ETUC is via its designation as a social partner. While the institutions and practices that could support European collective bargaining are not yet evident, the Social Dialogue presents a direct route for trade union influence in EU governance, even if it has yet to emerge as an important locus for EU law and policy making.

Trade policy offers the ETUC a valuable alternate route for extending its influence and institutionalizing the Social Dialogue. Unlike industrial relations, trade is an area in which member states have ceded substantial authority to the Union. The effort to attach labor conditions to trade initiatives provides the ETUC with a new arena in which it can speak for European labor, one unburdened by extensive national legacies. On the other hand, as a transnational confederation, the ETUC has limited independence. Trade has not heretofore been a central concern of the ETUC; the national federations that are the membership of the ETUC do not all share the same views on trade; nor have they ceded authority to the ETUC to develop a unified position.

The ETUC also represents organized labor in several European countries that are not members of the EU, most notably some of the less wealthy countries of Eastern and Central Europe that aspire to EU membership. While this no doubt strengthens the ETUC claim to be the legitimate representative of organized labor inside the EU as expansion resumes, at present it primarily serves to focus the attention of the ETUC to a much greater degree than the AFL-CIO on issues of economic development, in the former Soviet bloc countries and elsewhere.

THE TRANSATLANTIC LABOR DIALOGUE

While the official Transatlantic Labor Dialogue between the AFL-CIO and ETUC is not the only labor-related forum that has been created under the rubric of the New Transatlantic Agenda, it is the only one that directly and exclusively
involves organized labor. We have chosen to focus on the labor dialogue in the belief that, absent a strong lead from organized labor, the prospects for transatlantic labor-related activity are inherently limited. That said, the central finding of our research is that the TALD has not emerged as a major force in the transatlantic integration process.

The economic pillar of the 1995 New Transatlantic Agenda, entitled "Contributing to the Expansion of World Trade and Closer Economic Relations," outlines an ambitious and highly specific agenda of trade and investment liberalization involving both bilateral and multilateral initiatives. The pillar explicitly acknowledges a central role for the (already existing) Transatlantic Business Dialogue (TABD) in developing policies for government action. In contrast, there is not a single mention of organized labor. Indeed, the focus of the economic pillar is almost entirely on product and financial market integration.

The social policy pillar of the NTA is its fourth and least ambitious dimension. Entitled "Building Bridges across the Atlantic," the pillar offers no specific social policy agenda to complement the trade and investment liberalization program. Instead, the document speaks of "deepening ties" and nurturing "mutual understanding and a sense of shared purpose." As for specific bridges to be built, the pillar identifies only the already existing TABD, two cooperation agreements (in science and technology and in education and vocational training), and unspecified efforts to improve links between elected officials. Again, no mention of organized labor.

The accompanying Joint Action Plan for the NTA contains many more specific initiatives. Under the economic pillar, the trade and investment liberalization agenda is elaborated in nine different multilateral and fifteen more bilateral issue areas. In contrast, the section entitled "Jobs and Growth" consists of three short paragraphs offering no meaningful elaboration on the spartan language in the NTA text. Consistent with the NTA, there is no mention of trade union activity.

Even so, by May 1996, EU Employment and Social Affairs commissioner Padraig Flynn and US secretary of Labor Robert Reich had both expressed support for the AFL-CIO-ETUC initiative to create a transatlantic labor dialogue. Commissioner Flynn even took time during a brief Washington visit to meet with AFL-CIO president John Sweeney "to discuss the terms for establishing such a dialogue and for an exchange of views on their mutual interests" (Agence Europe, 9 May 1996).

More legwork on the labor dialogue was done the next month, when European and American trade unionists gathered for the International Confederation of Free Trade Unions (ICFTU) Congress in Brussels. Here the parties agreed in principle to construct the dialogue. In the interest of international labor solidarity, the ETUC and AFL-CIO also agreed to invite participation in the dialogue from two additional international labor bodies, the ICFTU and the Trade Union Advisory Council to the OECD (TUAC). The AFL-CIO and ETUC did not formally announce their intentions until May 1997. At the US–EU conference, "Bridging the Atlantic," held in Washington on 5–7 May, a lower-level AFL-CIO official[18] reported on the decision by the two federations to establish a "Transatlantic Social Dialogue" intended to "jointly monitor the work of following up the New Transatlantic Agenda with regard to employment and other social issues" (Agence Europe, 13 May 1997). The following week, the two federations held informal discussions in the context of a government-sponsored workshop on American and European labor markets.

The first true meeting of the Transatlantic Labor Dialogue did not take place until April 1998. It was held in London in conjunction with an international "labor summit" organized by TUAC with representatives of TUAC and the ICFTU in attendance. A central feature of the TUAC-organized summit was the presentation of a position paper outlining organized labor's agenda for multilateral international economic reform to British prime minister Tony Blair, acting in his capacity as chair of the upcoming G-8 meeting.

The London TALD "summit" involved small delegations from the ETUC and AFL-CIO, led by General Secretary Emilio Gabaglio and President John Sweeney, respectively. At this meeting, the two federations agreed to "hold periodic reviews of the trade union aspects of the transatlantic cooperation programme instituted by the EU and American government," to "coordinate their positions on the planned Euro-American social and employment initiatives in which trade unions are to be involved," and to initiate a "Euro-American working group . . . to coordinate activities and follow up on the periodic meetings" (ETUC press release, no. 12/98).

The AFL-CIO and ETUC issued a joint statement to their respective governments in the wake of the London TALD and in advance of the upcoming May 1998 EU–US summit. Somewhat surprisingly, the statement identified no substantive transatlantic labor agenda and focused entirely on global issues. The statement addressed seven subjects: trade liberalization, the just-suspended Multilateral Agreement on Investment (MAI) negotiations, consideration of core labor standards under the WTO, the Asian financial crisis, human rights, the ILO convention on basic trade union rights, and the need to further develop the TALD itself. Only the last is primarily a "transatlantic" issue, and here the demand is procedural, not substantive. On each of the other issues, the joint statement simply reprises various sections of the TUAC-drafted position paper (see AFL-CIO 1998a; TUAC 1998).

At the EU–US summit in London in May 1998, the two governments adopted the joint statement on Transatlantic Economic Partnership (TEP). Developed after French opposition effectively torpedoed Leon Brittan's proposed Transatlantic Free Trade Area, the TEP Agreement was little more than a restatement of the NTA's economic agenda, promoting multilateral trade liberalization via the WTO and the bilateral elimination of barriers to transatlantic trade and investment.
The TEP is almost entirely silent on other issues. After outlining ten multilateral trade objectives (including "support for the observance of internationally recognized core labor standards") and five areas of concentration in bilateral trade talks, paragraph 12 of the TEP document reads in toto: "Within the framework of our bilateral partnership we will seek to advance our shared values in the areas of labour and environment."

The lack of balance between market liberalization and social integration in the TEP was reflected in the vastly different expectations outlined in paragraph 15. Compare the following passages:

The EU and US recall the imaginative and practical approach of EU and US business in the TABD which has contributed directly to many of the NTAs successes, such as the Mutual Recognition Agreement. We urge the TABD to continue and extend its valuable contribution to the process of removing barriers to trade and investment.

We reaffirm our commitment in the NTA to promote dialogue between representatives of consumer and labour interests as illustrated by the helpful second meeting of the Transatlantic Labour Dialogue held in London in April. (italics added)

The TEP action plan issued in November 1998 mostly elaborates various bilateral and multilateral proposals for reducing international trade and investment barriers. However, unlike previous documents, the action plan does contain a separate section on labor issues, section 3.7, which outlines five objectives. In it, the US and EU governments agree to

- exchange views regarding the implementation of workers' rights provisions in their respective generalized system of preferences (GSP) schemes
- further the dialogue between employers, workers, and NGOs on corporate codes of conduct
- continue the dialogue with "respectively the US business and labor advisory groups and with the EU social partners" and solicit ideas for additional transatlantic labor-related projects
- support the TALD in its efforts to develop input into the TEP process. "As a first step we will co-sponsor, with our respective entities responsible for labor [i.e., DG V and the DOL] a joint meeting with the TALD to lay a foundation for further understanding of the labor issues related to the TEP."
- step up commitments to the ILO's international program for the elimination of child labor

It could be argued that the presence of any labor program at all in the TEP action plan was a breakthrough. While the list is modest and focused almost entirely on process, it appears to suggest serious interest on the part of the two governments in institutionalizing forums to address labor-related issues. However, with the exception of the follow-up conference on corporate codes of conduct, we are unaware of concrete actions taken by the two governments toward its fulfillment.

Nor have the federations demonstrated any urgency in addressing the transatlantic relationship. Second TALD summit meeting scheduled for later in 1998 was postponed. The trade union working group, to our knowledge, has not been formed. Progress on the agenda for NTA monitoring outlined in London in April 1998 is not evident. The two governments had no tangible progress to highlight for the December 1998 joint declaration and thus simply noted, "We have given encouragement to the Transatlantic Labor Dialogue to develop further its program of work."

In their joint statement for the December 1998 summit, the labor organizations voiced general support for "deepening" transatlantic relations and advised their respective central banks to continue reducing interest rates in order to stimulate economic growth. Otherwise, the focus of the statement, as in May, is on global trade and labor issues. Tellingly, the December joint statement did not reprise the May statement's intent to develop a bilateral trade union program. Instead, the confederations laid out a minimalist 1999 agenda consisting of just three events: one seminar each on corporate governance and safety and health issues and a TALD summit meeting scheduled for Bonn in May (AFL-CIO 1998b).

The 1999 Bonn TALD summit was also held in conjunction with a pre-G8 trade union summit organized by the TUAC. The latter included a meeting with German prime minister Gerhard Schröder, acting in his role as current president of the EU and host of the upcoming G8 summit in Cologne, where he received TUAC's latest iteration of the international trade union call for a new policy approach to globalization (TUAC 1999).

No official TALD statement was released after the Bonn summit. The delegations did agree on at least two points, pledging to renew their efforts to have human rights clauses inserted into international agreements and proposing to broaden the agenda for the next round of WTO trade talks to include development issues intended to benefit working people in the industrializing world (ETUC press release 14/99). The press release further noted agreed note by the summit participants to organize annual seminars on issues of mutual concern, to establish bilateral information systems, and to participate regularly in each other’s meetings.

Outside of technical seminars, the TALD has been basically inactive since Bonn. Recent conversations with American and European labor officials confirm its continued low profile.

To summarize, the TALD includes four key features. First, it lacks substantive expectations. Neither the labor organizations nor the governments have articulated a transatlantic labor agenda beyond dialogue itself. This raises the question of why the union groups pushed for, and the two governments so readily encouraged, the dialogue in the first place. We surmise that the AFL-CIO and ETUC could not tolerate government sanction for the TABD without insisting on construction of a corresponding labor dialogue, even though they had no (and
still have no substantive transatlantic agenda. The governments were only too happy to comply, as the existence of the labor dialogue couldlessness some rough balance to the influence of the TABD without necessitating more fundamental reform of the NTA integration process.

In the joint statement issued after the first TALD meeting in London in April 1998, the two labor organizations voiced the expectation that a role for the dialogue (shadowing the TABD and providing labor input regarding the various transatlantic initiatives) would emerge as the NTA itself matured. But the assumption of functional spillover was quickly discarded, and no “deeper” transatlantic vision has been articulated in its place.

Second, it is small and quasi-private. Unlike the TABD, which involves hundreds of firms, or even the new consumer dialogue, in which fifty or more organizations are represented (see Bignami and Charnovitz, chap. 10 in this volume), the TALD includes only one American and one European organization. TALD “summits” are very small affairs, typically with no more than a dozen participants. Virtually no publicity surrounds them. No public record of the discussions is available. And even the public statements that occasionally issue forth from them are not widely disseminated.

There is a certain irony in the quasi-private nature of the TALD. One might expect a dialogue of workers’ representatives to lend some raucous openness to the NTA process, but nothing could be further from the truth.

Third, it is neither exclusively bilateral nor primarily transatlantic. Although the AFL-CIO and ETUC gave the appearance of intending a strictly bilateral labor dialogue in an exclusively transatlantic forum (along the lines of the TABD and the other subsequent dialogues), they quickly expanded participation to include other labor confederations with international responsibilities, using the transatlantic machinery primarily to draw attention to global issues and the policies of multilateral institutions.

The ICFU, representing organized union movements in the vast majority of countries worldwide, and the TUAC, which serves as the voice of organized labor within the OECD, were brought into the TALD machinery very early on. This helped avoid duplication of effort, since both were already at work on issues central to the TALD agenda. Indeed, within the international trade union movement, these groups have been the most prominent labor voices on global economic issues. Since the transatlantic area lacks political recognition as an economic “region,” transatlantic labor issues may have quite naturally been seen as within their jurisdiction. Expanding the TALD also avoided giving the appearance that the AFL-CIO and ETUC were trying to forge a US–EU trade union bloc, something that could destabilize already fragile relations between first and third world union movements.

A TALD with overt participation from other international labor organizations suggests a truly “open” conception of “open regionalism,” allowing input from labor representatives outside the transatlantic sphere into the bilateral decision-making process instead of simply confronting them with done deals. Such a process has the potential to save the Americans and Europeans from inadvertently adopting policies that have negative ramifications for labor outside the transatlantic space. There were also practical considerations. Taking advantage of TUAC’s already existing international trade union summits assured participation by the federations’ top officials in the TALD without further imposing on already full schedules.

In practice, though, the impact of opening the dialogue has been to obscure its purpose. The ETUC and AFL-CIO have made virtually no effort to develop a joint transatlantic labor agenda, for which a bilateral forum may well have proven more conducive. While the parties originally envisioned the TALD to “jointly monitor the work of following up the New Transatlantic Agenda with regard to employment and other social issues” (Agence Europe, 13 May 1997) and “coordinate...positions on the planned Euro-American social and employment initiatives in which trade unions are to be involved” (ETUC press release 12/98), no serious transatlantic labor agenda has yet emerged. Moreover, the TALD’s multilateral agenda simply restates the existing international labor policy agenda as already crafted by TUAC and the ICFU. The “value added” provided by the TALD thus far is minimal.

Fourth, it is a low priority. When asked directly, participants in the dialogue claim it is useful and meaningful, but the record suggests otherwise. Even though the process is barely three years old, the meetings are infrequent, short, and unpublished, and they have limited agendas. Financial constraints, while no doubt real, do not appear to have played a central role in the limited development of the TALD. Furthermore, in spite of formal support from the two governments, the TALD seems to be getting weaker, not stronger.

It is not difficult, of course, to cast government support for the labor dialogue cynically, given the lack of attention to social issues in the NTA and TEP. And it may be unrealistic to expect the TALD to elbow other priorities off the plates of the key union participants. Nevertheless, the failure to develop a real transatlantic labor agenda (or open the process to other labor voices more inclined to do so) is disappointing. The transatlantic space is a critical one for the development of transnational economic governance institutions. Labor’s decision to remain aloof from the process could well prove short-sighted.20

TRANSLATLANTIC LABOR, THE WTO, AND CORE LABOR STANDARDS

We now shift the focus from the formal process of the TALD to a substantive area of transatlantic labor interest—the debate over inclusion of labor issues within the purview of the World Trade Organization. We have chosen this subject for two reasons. First, it is an area explicitly addressed by the AFL-CIO and
ETUC in the TALD. Second, it has been the focus of considerable activity on the part of organized labor in recent years.

Greater attention to the role played by international economic and financial institutions in the process of economic integration has brought with it increasing debate over how these bodies are structured and whose interests they serve. Because of its perceived importance to the creation of an open world trading system, the World Trade Organization has lately been at the forefront of this debate. At one ideological pole, hard-core free traders argue that the WTO must focus only on trade liberalization in order to ensure the greatest good for the greatest numbers. Expanding its role to issue other than trade, such as the promotion or enforcement of workers' rights, would inevitably result in political meddling and, at best, reduced effectiveness. At the other end, proponents of global economic management argue that the world economy already bears the stamp of political intervention. The critical issue now is superimposing democratic control over it (Howse 1999).21

The issue of considering core labor standards within the orbit of the WTO had been raised at the Singapore WTO ministerial in 1996.22 At the behest of the AFL-CIO, President Clinton tabled a proposal to create a WTO “working group” on labor and trade. In the end, WTO members committed in the Singapore Declaration to observe internationally recognized core labor standards but designated the International Labor Organization, not the WTO, as the appropriate body for monitoring and follow-up (Howse 1999).

More recently, the AFL-CIO and ETUC have both pushed for greater attention to labor rights issues at the Seattle ministerial and in the upcoming Millennium Round. The Americans have renewed their call for a WTO working group on labor and trade, viewing it as the first step in a process ultimately intended to allow the WTO to impose trade sanctions in cases of failure to comply with core labor standards.23 The ETUC has likewise demanded that the WTO become more cognizant of labor rights, calling for the inclusion of a social clause covering core labor rights (ETUC 1999). With the ETUC and AFL-CIO already committed to multilateralism and in broad substantive agreement, WTO reform represents as suspicious an area for TALD activity as could be imagined. The two labor organizations seemed to share this view when they included the following passage in their joint statement for the May 1998 EU–US Summit:

The international trade union movement firmly believes that efforts to achieve a more open and fair trading system must explicitly emphasize that respect of core labor standards in all countries is a precondition to such efforts. Our organizations believe that the promotion and enforcement of internationally recognized core labor standards is an especially important obligation for consideration at the upcoming ministerial meeting of the World Trade Organization. We hope, on this fiftieth anniversary of the GATT and the Universal Declaration of Human Rights, that the WTO takes steps toward firmly linking efforts to assure universal observance of basic human and worker rights to our efforts to achieve a more open trading system.

The demand for inclusion of core labor standards in the agenda for the next round of WTO talks was reiterated in their joint message to the December 1998 EU–US summit in Washington. Moreover, the willingness of the EU and US governments to include support for core labor standards in the multilateral trade pillar of the TEF further suggested the promise of the TALD as a venue for the pursuit of this goal.

In the run-up to Seattle, however, the two organizations did not utilize the TALD to hammer out a joint position on the role of labor standards in the WTO. The May 1999 TALD summit in Bonn was, as noted, perfunctory and further deliberations on this issue were inconsequential. Instead, in the context of purely “domestic” politics, the AFL-CIO and ETUC pursued independent and ultimately divergent paths. Paradoxically, fragmentation of the trade union position did not weaken the unions in Seattle. On the contrary, union strength in Seattle had very traditional foundations—the ability of national union federations in the United States and Europe to persuade their political leaders to embrace the cause of labor rights.

The AFL-CIO was able to extract from the Clinton administration a firm promise to hold out for the creation of a working group on labor and trade within the WTO apparatus.24 Its leverage was directly attributable to two factors: its leadership of the anti–free trade coalition that twice blocked the president's ability to win “fast-track” trade negotiating authority from Congress25 and Democratic Party concern that a lack of enthusiasm on the part of organized labor could lead to a disastrous outcome in the 2000 national elections.26 Vice President (and presidential hopeful) Al Gore, in his ultimately successful effort to receive an early endorsement from the AFL-CIO, eagerly signed on to the pledge.

In contrast to the aggressive public posture of the AFL-CIO, the ETUC chose a policy of quiet diplomacy. Publicly, the ETUC promoted the somewhat general initiative put forth by the ICFTU, which demanded that labor issues be addressed by the WTO but leaving the recommended format somewhat ambiguous.27 Within this framework, the ETUC served as a sounding board for its national affiliates, which were split on whether to demand a WTO working group or to accept an alternative forum.28

The Clinton administration announced its agenda for the Seattle ministerial, including the “working group” proposal, in mid-October, at the same time that the trade commissioner of the EC was in final negotiations with representatives of the member states and the social partners on the EU agenda. Days later, when the Directorate-General for Trade at the European Commission released the five-point EU agenda for Seattle, the working group idea had been jettisoned and, with ETUC support, replaced by a call for a “standing committee” or “permanent forum” on labor and trade issues that reserved a central role for the ILO.

AFL-CIO officials admit they had no clear sense of European intentions in this period but also admit that knowledge of ETUC and EU plans to distance
themselves from the US proposal would not likely have influenced their strategy. For their part, European labor officials readily voiced the opinion that the US proposal for Seattle smelled protectionist, was in any event a "nonstarter," and would needlessly alienate colleagues from the third world. They saw the EU proposal as achieving comparable results in the long run in a more conciliatory fashion.

The intent here is not to overstate the degree of divergence in the two proposals. Both shared the same broad purpose. The ICFTU gave encouragement to both (while endorsing neither). In Seattle, after failing to prevail with the working group proposal, the Clinton administration felt comfortable enough with the EU position to it (no avail) as a fallback.

The central point, rather, is that the ability to advance the issue of core labor rights within the WTO did not require close transnational policy coordination between the AFL-CIO and ETUC. Instead, it was entirely a result of domestic political leverage exhibited by the respective union movements.

The end result in Seattle—stalemate, with the ministerial adjourning without a consensus to proceed on a new round—may be viewed as an isolated battle won by the unions but could hardly be characterized as winning the war. The global economic changes that have taken place over the last two decades and the government policies that have helped propel them now constitute a well-entrenched neoliberal policy approach to economic integration focused almost entirely on trade and investment liberalization. In policy development and in the creation of transnational governance mechanisms, social issues and industrial relations questions have been given short shrift. The efforts of organized labor and others before the ministerial and at Seattle represent an important milestone in the exercise of oppositional capacity. A warning shot was fired to the managers of the global economy, alerting them to the fact that important groups are unhappy with how the economic integration process has evolved and to serious flaws in the architecture of the system. A capacity to slow further liberalization initiatives, at least for the moment, in selected venues has now been demonstrated. But organized labor has yet to show that it can uproot the entrenched neoliberal economic integration framework or develop a robust alternative vision for global economic governance.

CONCLUSION: TRANSATLANTIC LABOR AND GLOBALIZATION

As an official forum for cooperation between American and European peak labor federations and an official dialogue of the NTA, the Transatlantic Labor Dialogue has to date demonstrated little utility. To paraphrase Lowell Turner, it seems to be another case of "structure" without "action" (Turner 1996). In this case, though, we think central failure is structural.

That a TALD exists does not imply any serious attention to labor issues in the NTA (or any real progress in moderating its neoliberal tendencies). Essentially, the NTA integration model rests on the assumption that as trade and investment are liberalized, other matters will largely take care of themselves. This means that real energy in the process is dedicated only to negative integration (Scharpf 1996), through deregulation of markets, further lowering of tariffs, and reduction of alleged nontariff barriers.

The architects of the NTA (unlike the political "entrepreneurs" who restarted the European integration project in the 1980s) never intended for transatlantic integration policy to include a robust labor and social dimension. While the NTA process pays lip service to the need to deal with civil society and social issues, there is little to suggest that policy makers at the transatlantic level are really concerned with these matters. To the extent they really do care about labor and social progress under the NTA, organized labor may really see no reason to invest resources trying to influence transatlantic policy making.

Even so, the disinterest of the two federations in using the TALD to articulate a compelling vision for transatlantic labor cooperation implies a lack of transnational ambition. This is somewhat disappointing but not entirely surprising: given the global weakness of organized labor in the current period, efforts to reassert influence are most likely to be focused where they will bear fruit, in domestic venues.

It is also true that the differences between the US and EU, and between the AFL-CIO and ETUC, do not make it easy to seize this opportunity. Even within Europe, national and institutional differences have made construction of a Europe-wide trade union movement exceedingly difficult (Visser and Ebbinghaus 1992; Visser 1996; Ebbinghaus and Visser 1997; Marks and McAdam 1996; Platzer 1998; Martin and Ross 1999). The transatlantic arena is similarly, or even more, challenging. But, as within Europe, barriers to real transatlantic cooperation can only be overcome through concerted effort.

Each of these dimensions of the current scene reinforces the other. That is, to the extent that policy makers are gripped by a worldview in which social and labor issues are of marginal importance, organized labor lacks strong incentives to invest in the transatlantic integration process. At the same time, the absence of a strong labor voice probably ensures that the narrow economic vision of transatlantic integration will continue to prevail.

Is there some way to rectify this condition? Is there a way to strengthen the social pillar of the NTA so that the AFL-CIO and ETUC would see more utility in the TALD? We have our doubts. Unlike those who hold out hope for greater nonbusiness influence in transatlantic relations through minor tinkering with the NTA's institutional infrastructure (e.g., Bignami and Charnovitz, chap. 10 in this volume), we think that without a fundamental change in the vision underlying the integration effort, as well as comprehensive institutional reform, things will go on much as before. What, after all, is the point in amplifying labor's voice
if no one is listening? Why encourage stronger ties between the AFL-CIO and ETUC if there is no opportunity for them to exercise influence on matters they take up?

Is there hope for such a sea change in the future? In the wake of Seattle and the protests that led up to and will undoubtedly follow Seattle, is there a chance that the overall vision guiding the international economic integration process will be amended? If Seattle demonstrated that the neoliberal vision underlying both the NTA and the WTO is cracking, is a different, more socially oriented approach emerging? It is still too soon to answer such questions, which in any event lie beyond the scope of this chapter. What we can say with some confidence is that, in the absence of fundamental reforms addressing the marginal position of labor in the global economic order, the Transatlantic Labor Dialogue will continue to disappoint.

NOTES

1. The ICFTU is the most comprehensive international labor body, currently representing labor confederations in 145 countries. See <www.icftu.org>.
2. TUAC is the institutional representative of organized labor within the twenty-nine-nation OECD. See <www.tuac.org>.
4. Most notably, the Auto workers, the Steelworkers, the Machinists, the two textile and clothing workers unions (since merged into UNITE), and the Teamsters.
6. For an overview, see Ferner and Hyman 1998.
7. As most recently spelled out in the Treaty of Amsterdam, the most fundamental areas of industrial relations—wage setting, rights of association, collective bargaining—remain off the European table.
8. A few directives have been passed through this mechanism, but pressure from the Commission has played an important role in these cases.
9. Among other labor-related initiatives are the Working Group on Employment and Labor-Related Issues, composed of government officials from the US Department of Labor and DG-V of the European Union, to whom representatives from organized business and labor serve in an advisory capacity, as well as various ad hoc conferences and meetings sponsored by the two government agencies addressing particular labor-related themes.
10. The attempt by the Department of Labor and DG-V to pursue a dialogue on corporate codes of conduct is instructive here. The withdrawal of the American unions from the DOL Fair Labor Initiative seriously impeded transatlantic dialogue on this subject.
11. There are only two brief references to labor market policies in the entire economic pillar. In one, the parties agree, ambiguously, to “address in appropriate fora problems where trade intersects with concerns for . . . internationally recognized labor standards.” In the other, they pledge to cooperate on employment issues in multilateral forums and to create the Working Group on Employment and Labor-Related Issues.
13. Paul Cole, secretary-treasurer of the New York state AFL-CIO.
15. In fact, although a follow-up meeting to have “a comprehensive discussion to coordinate trade union policies on the proposed New Transatlantic Market” was scheduled for later in 1998, the next TALD summit meeting was ultimately postponed until May 1999.
16. See Peterson (chap. 2 in this volume) for a discussion of these developments.
17. CSP refers to trade arrangements under which developing countries receive favorable export treatment. See Trebilcock and Howse 1995, 308–10.
18. DOL and DG-V had already sponsored one conference on corporate codes of conduct and another was eventually held in December 1998 in Washington, D.C.
19. On this point the federations explicitly refer to the TUAC statement.
20. This is not to imply that the transatlantic sphere is the most important transnational economic space or that the TALD represents the full extent of transatlantic labor cooperation, neither of which is the case. The only claim is that the TALD should be seen as a welcome opportunity: an open invitation by the US and EU governments to develop and articulate a transnational labor agenda.
21. Core labor standards are only one issue in this debate. Other substantive areas of concern include environmental regulation and food safety. More broadly, the debate concerns transparency and democratic representation within the WTO.
22. The phrase “internationally recognized core labor standards” is commonly understood to include a set of four principles: freedom of association and the right to collective bargaining, a prohibition on forced labor, a prohibition on child labor, and freedom from discrimination. This set has recently been enshrined by the International Labor Organization in its June 1998 Declaration on Fundamental Principles and Rights at Work.
23. For a clear statement, see Sweeney 1999.
25. The administration has now concluded that it cannot win “fast-track” authorization without the support of organized labor.
27. The ICFTU position paper on the Seattle ministerial contains the following wording:

The 3rd WTO Ministerial Conference should explicitly make provisions to:
—include core labour standards on the agenda of future WTO negotiations;
—start an examination of how to incorporate the issue of labour standards and trade into WTO mechanisms and processes.
The 3rd WTO Ministerial should therefore establish a WTO committee on the relationship between trade (and investment) and core labour standards, along the lines of the WTO Committee on Trade and Environment. (ICFTU 1999)

This language appears to clearly support the formation of a working group along the lines envisioned by the AFL-CIO and the Clinton administration. Yet representatives from numerous developing countries let it be known in the run-up to Seattle that they
would oppose such a provision, and the IcFTU was unable to present a unified international labor position in Seattle.

28. Although different sources put forth different sets of national federations interested in pushing the harder line, in general these appear to be the stronger labor movements from high-wage, exporting countries (European labor officials, interview by author, 14–15 October 1999).


30. European labor official, interview by Knauss, 14 October 99.