

## **Union Bargaining Power in the Global Economy : A Comparative Study of Workplace Change and Local Unions in Canada and Mexico**

Christian Lévesque and Gregor Murray\*

\* Christian Lévesque and Gregor Murray are professors of industrial relations at HEC-Montréal and Université de Montréal respectively. Both are also members of CRIMT (the Interuniversity Research Centre on Globalization and Work). They can be reached by e-mail as follows : <christian.levesque@hec.ca>, <gregor.murray@umontreal.ca>. Special thanks go to the many trade unionists and managers in Mexico and Canada who greatly assisted in the gathering and interpretation of the data presented in this article and to research team colleagues Francine Jacques, Paul-André Lapointe and Catherine LeCapitaine who were involved in the gathering of much of the Canadian data in the context of another project.

## **Union Bargaining Power in the Global Economy : A Comparative Study of Workplace Change and Local Unions in Canada and Mexico**

The process of globalization poses a huge challenge for workplace unions. Two dimensions are of particular importance : continuous workplace change and a shifting balance of power.

First, globalization is strongly associated with the search to enhance competitiveness through increased flexibility in the firm. The restructuring of sequences of production and of the ownership and role of different service providers within the production process is transforming the architecture of production. In order to achieve ever higher levels of quality and targeted efficiency, production managers and workers are compelled to implant increasingly standardized processes within and across national borders. The effects of this restructuring of production management are readily apparent in the area of work organization : workers are more frequently required to mobilize tacit knowledge and to upgrade their skills ; there is a greater emphasis on flexibility and the acquisition of multiple skills ; and there is greater scope for at least some self-regulation by workers (Bélanger, Giles and Murray, 2002). In other words, local unions face a context of continuous management change initiatives. This can challenge both traditional forms of work regulation and it also raises the question of whether local unions are passengers, opponents or active participants in the change process.

Second, and herein lies the conundrum for local unions in the reorganization of work and production in the global economy, it is commonly held that the increasing transnationalization of production inexorably leads to the weakening of the capacity of local unions to mobilize their power. In other words, globalization is prompting a shift in power and weakening the capacity of local unions to participate in workplace change. Many observers fatalistically point to the increasing disparity between unions and international employers where employers are characterized by the increasing mobility of capital, the ability to make coercive comparisons (for example, benchmarking) and the ability to secure concessions in exchange for promises of future investment. Local unions, it is argued, are bereft in the face of such an array of employer resources. Moreover, the increasing decentralization of bargaining in many national systems and the dismantling of pattern bargaining in others places yet further stresses on local unions that are unlikely to achieve their objectives in isolation from other unions. In essence, not only are local unions more isolated but they have a reduced capacity to inflict economic costs on the employer.

If globalization is rightly associated with these new constraints, such constraints do not however automatically determine the outcomes of local union action. It can be argued that union power remains indeterminate, essentially a function of power resources and the context in which they are mobilized. There is considerable evidence to suggest that union power does not automatically decrease in the context of globalization. The research that we have conducted in Canada over the last several years certainly points in this direction (Lévesque and Murray, 1998 and 2002). It shows that the capacity of local unions to regulate changes at the workplace level is closely linked to their capacity to mobilize their own power resources.

But does the power of local actors make a difference and is this not merely an institutional artefact, a relationship that might hold for workplace change in the context of the decentralized bargaining characteristic of many Canadian manufacturing plants but not a relationship that holds the same meaning in different national and institutional contexts? This article therefore tests a power resource approach to work reorganization in quite different national contexts. It is argued that such an approach can be generalized across different institutional contexts but that the configurations of power resources required to ensure union involvement in the change process vary according to institutional context. Drawing on survey data from 92 firms in Canada and Mexico and 18 case studies conducted in collaboration with local unions in both countries, this article pursues three objectives : 1) identify the major resources on which local unions draw in order to ensure their role in the change process at workplace level ; 2) analyze the conditions associated with the mobilization of these resources; 3) compare the way local union power is structured in Mexico and Canada.

The article is organized in five parts. We first present the research problem and our theoretical propositions in the light of available research findings. We then give an overview of the study before detailing the results of the quantitative and qualitative methods. In conclusion, we argue that our results suggest that greater internal solidarity, stronger articulation with other levels of union and community activity and the pursuit of an autonomous agenda all provide the basis for enhanced local union bargaining power in the context of globalization. This general conclusion applies to Canadian as well as Mexican local unions. It must however be qualified since institutional settings do appear to make a difference for the types of configurations of power resources that seem to make a difference for union involvement in workplace change in Canada and Mexico.

### **Workplace Change and Local Union Power**

The pressures associated with globalization and regional economic integration appear to be driving an increasing standardization of workplace practices. Indeed, some even discern the emergence of a universal model for so-called high performance workplaces. Muller (1992), for example, has outlined the pressures in this direction as local plants compete for new investments on the basis of their willingness to accept and even espouse ever greater forms of workplace flexibility. Indeed, workplaces systematically engage in forms of organizational imitation in order to replicate what are perceived to be best practices or what Di Maggio and Powell (1983) labelled as isomorphic imitation (see also Tilly and Tilly, 1998: 108). This process increasingly leads a number of observers to espouse a variation of an industrial relations convergence thesis (Mueller and Purcell, 1992 : 15-16) as coercive comparisons and the fear of being left behind lead local actors to adopt what they judge are the most efficient forms of work organization. In his study of collective agreements and work practices negotiated by national unions in the pharmaceutical industry in four different national contexts (Taiwan, Singapore, Australia and the United Kingdom), Frenkel (1994) highlights the diffusion of a similar industrial relations model, one that he labels subordinated cooperation. In other words, there is some evidence that local arrangements are of decreasing importance as both local and multinational managers seek to standardize practices across different institutional contexts and that local unions have little choice but to acquiesce to this overriding trend.

Such a view is of, course, overly simplistic. First, multinational firms in fact have different strategies (Marginson and Sisson, 1994) and the variety of control mechanisms in these firms and their often polycentric nature lead to variable degrees of autonomy for local actors (Freyssenet, Mair, Shimazu and Volpato, 2000). Second, coercive and imitative pressures towards standardized practices do not necessarily lead to common practices. Streek (1987) has convincingly argued that institutional contexts favour a variety of responses to product market uncertainty, just as Locke and Thelen (1995), using the example of work organization, have illustrated how organizational change does not always have the same significance in different institutional contexts. Third, there is increasing evidence that local union responses, also embedded in particular institutional contexts, exert a strong influence on organizational outcomes and configurations of labour-management relations in the context of workplace change (Kochan, Lansbury and MacDuffy, 1997 ; Durand, Stewart and Castillo, 1998). Fourth, this leads to a more general argument about the importance of institutional contexts. In their work on the diffusion of so-called Japanese models of production management and work organization, Elger and Smith (1994: 33-36) illustrate how local organizational innovations within multinational firms are structured by their institutional context : "by its host environments, by the differing institutional complexes surrounding origins, transfer and adaptation."

In other words, and drawing on distinctions made by the French industrial relations scholar Jean-Daniel Reynaud (1989) about the interface between formal and informal rules in work regulation, it is theoretically dubious to overstate arguments of standardization in the regulation of work relations when local actors can access significant zones of autonomy and power to influence workplace regulation (see also Murray, Lévesque and Vallée 2000: 252-254). The core theoretical challenge then is to better understand the interface between transnational pressures to innovate in the workplace and the strategies and capacities of local actors in the context of varied institutional arrangements. What then are the key explanatory variables in understanding the role of local unions in workplace change ? Do disparities in power condemn local unions to a subordinate role in the change process ? Do particular power resources make a difference and do these resources vary according to institutional context ?

Preliminary evidence does suggest that institutional context makes a difference. That is certainly the position advanced by Locke and Thelen (1995) who argue that unions in Canada and the United States are more likely to oppose changes in work rules as opposed to German or Swedish unions because of the significance attached to this type of change in the different institutional contexts. Similarly, Otis (1999), after studying local union response to teamwork in Spain and Great Britain, concludes that the best case scenario is that where union can utilize resources to face the threats and uncertainties that characterize the change process.

However, an increasing volume of empirical studies also highlight the importance of local arrangements, particularly the capacity of local actors to mobilize their power resources (Frost, 2000 ; Pries, Garcia and Gutierrez, 2000 ; Lapointe, 2001 ; Dufour and Hege, 2002). Our own research (Lévesque and Murray, 1998 and 2002), drawing on both empirical studies in Canada and reviews of the international literature, has led us to identify three power resources that are of vital importance for local unions to constitute their power to play a role in workplace change in the context of globalization : strategic capacity, which refers to the ability of local unions to shape and put forward their own agenda ; internal solidarity, which relates to the mechanisms

developed in the workplace to ensure democracy and collective cohesion among workers ; external solidarity, which refers to the capacity of local unions to work with their communities and to build horizontal and vertical coordination with other unions as well as the building of alliances among unions, community groups and social movements.

The key theoretical proposition then is that globalization entails a re-writing of power relationships between actors, seeking to re-regulate work relations in this new context, and that the challenge for local unions is to reconstitute their sources of power. In particular, in the context of globalization, it appears that local unions must be able to mobilize a broader range of power resources if they are to exert an impact on workplace outcomes. But do these power resources transcend national borders ? Are they equally significant in different institutional contexts ? Irrespective of pressures to change, do local union power resources affect the capacity of local unions to play a role in workplace change and, if so, can we observe differences between national contexts in the way that institutions structure actor power and the saliency of particular power resources ? In a study designed to explore this theoretical proposition, this article seeks to shed light on these questions.

### **Overview of the Study**

This article is based on both survey and case study research in the vehicle and metal-working industries in Canada and Mexico. In Canada, the survey research involved a postal questionnaire filled out by 206 local union representatives in Quebec province. It covered a wide variety of issues including workplace change and union involvement therein, union power resources, union-management relations, firm characteristics, etc. The response rate of 53.2%, which is quite high for this type of study, probably resulted from the research partnership that prompted the research. For logistical and union cultural reasons, we did not use a postal survey in Mexico. Instead, a questionnaire was administered in meetings of workplace representatives in regional conglomerate unions in three different states (Coahuila, Guanajuato and Queretaro). We gathered questionnaires from local union representative in 46 plants. For the purposes of this analysis, we have constructed a matched sample on the basis of two characteristics : plant size and industry. Accordingly, on the basis of their comparability to the 46 local unions in the Mexican sample, we selected 46 workplace unions from the 206 in our Canadian sample.

The dependent variable in this study is the process of workplace regulation. We distinguish between workplaces where changes are introduced unilaterally, from those where the union is consulted and those where there is some form of joint regulation, as indicated by the presence of a union-management agreement about a particular change initiative. The major independent variable is union power resources. On the basis of our own previous research (Lévesque and Murray 1998 and 2002) and a growing international literature (see, for example, Frost 2000, Pries, Garcia and Gutierrez, 2000, Lapointe 2001), union power resources are operationalized in order to capture different resources that may impact on its role in the change process : internal solidarity, external solidarity and proactivity. *Internal solidarity* relates to local union leadership's reporting of the mechanisms developed in their workplace to ensure democracy and collective cohesion among their members. It is measured by both objective indicators, such as the presence of a network of shop-floor representatives and paid release time for union activities and mixed indicators such as respondent perceptions of worker solidarity (participation in union meeting,

support of union, etc.) and worker cohesion (notably, perceptions of workers' capacity to formulate demands and use pressure tactics). *External solidarity* refers to the capacity of local unions to build horizontal and vertical coordination within their union and with other unions. A cluster analysis allowed us to distinguish between three situations : first, unions that are basically isolated from larger solidarity structures ; second, unions that are vertically integrated into larger union structures because they access services and participate in meetings outside of their workplace union; and, third, in addition to being vertically integrated, unions that are also embedded in horizontal networks through exchanges with other local unions. Finally, *proactivity* refers to a local union's capacity to shape and put forward its own agenda. When faced with workplace change, unions may take a variety of positions : supporting a particular change initiative, opposing it, avoiding taking a position, or putting forward its own agenda or vision of change. Since one or more of these stances might characterize a union's approach to a particular change initiative, we cumulated the degree to which respondents indicated that their local union had adopted each of these positions in the context of particular change initiatives over the previous three years. Table 1 exhibits the distribution of the data for our dependant, independent and control variables according to the country of origin.

[Table 1 about here]

The qualitative research is based on 18 case studies in the vehicle-building industry between 1997 and 2001: twelve factories in Mexico and six in Canada. Each case study entailed interviews with representatives of management and the executive committee of the local union. Informal contacts were also initiated with first-line supervisors, shop-floor representatives and workers during factory visits. Plant documents and collective agreements were also analyzed in order to ascertain the context and labour relations dynamics in each plant.

The selection of factories was related to their position in the supply chain. The sample includes four assembly plants (three in Mexico and one in Canada), eight first-tier suppliers (five in Mexico and three in Canada), and six second-tier suppliers (four in Mexico and two in Canada). This allows us to take account of the diversity of constraints with which local unions in this industry must contend. In Mexico, while the majority of local unions are affiliated to the CTM « Confederación del Trabajadores de México » (CTM), the sample covers three types of union affiliation : a local union affiliated to an independent union centre (FAT), seven enterprise unions affiliated to the CTM and four workplace unions that are part of a regional industrial or conglomerate union but also affiliated to the CTM. The Canadian sample includes three Canadian Auto Worker (CAW) locals, two Steelworker (USWA) locals, and one Teamster local.

It should be noted that these factories are not representative of the automobile industry in either Canada or Mexico. They do, however, offer a unique opportunity both to test our research hypotheses, since they introduced numerous workplace changes, and to understand better the variables identified in the survey analysis. The selection of the cases was basically informed by the presence of workplace change as key informants in the local industries pointed to these cases as exemplars of change. All of the cases have quality certifications and, in one form or another, have introduced quality improvement groups. They have also modified production management and work organization, whether in the form of just-in-time, cellular manufacturing or teamwork.

The link between the survey and the case study research methods should be seen as analytical rather than sequential. Some of the case studies were conducted prior to and others after the survey administration. Indeed, there were two periods of survey administration in Canada and three in Mexico. There is, however, a strong interrelationship between the two research methods as nine of the twelve Mexican cases were also survey respondents as were five of the six Canadian cases. The inclusion of the case studies strongly reinforces the potential for what Yin (1994) describes as analytical generalizations. In other words, and in the following two parts of this article, we first identify salient relationships between our key variables on the basis of multivariate analysis of the 92 cases included in the survey data. We then seek to better understand these relationships through analysis of the 18 case studies (of which 14 are also included in the survey). Despite the small sample size and limits in terms of industry or national representativeness, this dual methodology greatly increases our confidence in the results and our ability to understand the dynamics underlying the relationships observed.

## Survey Results

We use discriminant analysis to answer two questions : first, does the relative importance of power resource variables vary by country; second, does union involvement in the change process vary according to the capacity to draw on different union power resources or, again, relative to country or industry variables.

Table 2 reports the results with the country of origin as the dependent variable and power resources indicators as discriminant variables. In other words, and this would certainly conform to generalized views in advanced industrialized economies outside of Mexico, do we observe distinct clusters of union power resources in each country? The presence of shop-floor representatives, union paid release time, union position, worker solidarity and the capacity of union to develop alliances outside of the plant are all significantly associated with country of origin. In Mexico, it appears that unions are more likely to support management initiatives in workplace change and to develop external links with other unions and, according to union representatives, worker solidarity also seems stronger. In Canada, unions are more likely to oppose management initiatives, to develop a network of shop-floor representatives and to benefit from union paid release time.

[Table 2 about here]

These results are hardly surprising. It is well known that Canadian unions do not necessarily support management initiatives and may oppose them (Kochan, Lansbury and MacDuffy, 1997, Kumar, 1995). For example, Kumar (1995) shows that the CAW and the Steelworkers approach these initiative within an adversarial framework. In the Canada-U.S. context, such opposition has been explained by the impact of such initiatives on rules laid out in collective agreements, thereby challenging basic notions of job control unionism and, potentially, even the legitimacy of the union itself (Locke and Thelen, 1995). In Mexico, enhanced flexibility in workplace rules does not engender the same kind of opposition from unions as in Canada, even though it can lead to conflict (De La Garza, 1998, Pries, Garcia and Gutierrez, 2000). A tradition of strong state intervention in labour relations and the historic alliance between official unions and the

governing political party (the PRI) would appear to limit local union capacity to oppose so-called market-driven changes to workplace rules (Dombois, 1999). Moreover, despite the weakening of the historic alliance between the PRI and the CTM, official unions in Mexico continue to espouse the competitiveness strategies promoted by both employers and the state (Bensusán, 1999 ; Dombois, 1999). Indeed, these unions refer to a new work culture characterized by a community of interests between employers and workers.<sup>1</sup>

The CTM's adoption of a competitiveness strategy must however be placed in context. Pressures on employment in Mexico are very acute as the formal labour market is unable to absorb the strong demographic growth that characterizes its young workforce. As a result, a high proportion of young labour market entrants must find work in the informal economy, where roughly 50% of the population works.<sup>2</sup> Any action that might have a negative effect on employment is thus condemned as the objectives of workers and their representatives are subsumed in this overriding search to maintain and develop employment in the formal sector.

By the same token, it is not surprising that Canadian unions, in comparison to Mexican unions, are more likely to develop a network of shop-floor representatives and to benefit from union paid release time. What is quite surprising, however, is the fact that Mexican unions are more likely to develop external links with other local unions. Indeed, many observers suspect that the absence of coordinated negotiations and of national industry unions in the auto or the steel industries in Mexico reinforces the isolation of local unions and reduces the opportunity to develop external solidarity and exchange between local unions (Artega, 2001 ; Bensusan, 1998 ; Pries, Garcia and Gutierrez, 2000). While this general proposition may well be true, it must be qualified in relation to the type of local union. Out of the 46 CTM local union in our sample, there are in fact two different type of unions : local unions without links to sectorial or industrial union (n=5) and amalgamated regional unions that bring together workplace unions on an industry basis in a particular region (n=41).<sup>3</sup> This second type of local union is naturally in a better position to develop external links with other local unions. Accordingly, the greater likelihood of external links with other local unions in Mexico is in part due to the composition of our sample, which is in fact typical of local unions in Mexico. In Canada, our previous research has identified these external links as a distinguishing characteristic. While most locals unions do have the opportunity within their affiliated structures to develop external linkages, not all do so.

Overall, these results suggest that institutional setting is associated with the mobilization of different kinds of union power resources. In Mexico, local unions are more likely to support management changes initiatives, to develop external links with other unions, and to rely on worker solidarity. In Canada, local unions are more likely to oppose management initiatives, to develop networks of shop-floor representatives and to secure union paid release time.

---

<sup>1</sup> In August 1996, COPARMEX, the Mexican Employers Confederation, and the CTM signed an agreement on future directions for labour relations in Mexico. The core aspects of this agreement are outlined in a document entitled the «New Labour Culture» (*La Nueva Cultura Laboral*, CTM COMPARMEX, 1995).

<sup>2</sup> It is estimated that the active labour force is growing by 1.5% per year, or roughly 1.5 million new labour market entrants, and that only half of these persons secure employment in the formal economy (ANACT, 1998 ; Cosio-Zavala, 2001).

<sup>3</sup> In the amalgamated unions, there are in fact two different kinds of structure in local unions: those that have an executive committee and those that have a network of plant delegates but no executive committee.



Our second question considers the factors associated with the different profiles of union involvement in the change process : namely, unilateral, consultative or joint regulation. In other words, and this is at the core of our theoretical enquiry, is union involvement in the change process driven by the capacity to draw on particular types of power resources or institutional context? The results of the discriminant analysis are presented in table 3. The institutional (country) and industry contexts are not statistically associated with union involvement in workplace change. There is no statistical difference between the profiles of union involvement observed in Mexico and Canada as well as between unions in the auto & opposed to metal-working industries. In terms of different union power resources, union support or opposition to management initiatives are not linked to union involvement, nor is the presence of union paid release time. However, union involvement is associated with a proactive union position towards management initiatives, the presence of a network of shop-floor representatives, external links with other unions, worker solidarity and worker cohesion and plant size. Thus, union power resources clearly seem to make a difference as regards the type of union involvement in workplace change.

[Table 3 about here]

In fact the three profiles of union involvement are associated with different configurations of union power resources. In workplaces where changes are introduced unilaterally by management, local unions appear less able to mobilize internal and external resources. Worker solidarity and worker cohesion are generally weaker and these unions are less likely to adopt proactive positions toward management change initiatives. They are also less likely to develop external links with other unions. Even though these local unions generally operate in smaller workplaces, they are more likely to have a network of shop-floor representatives. However, this latter resource does not seem sufficient to command more union involvement in workplace change.

The consultative and joint regulation profiles share several common features. Local unions exhibiting this profile are more likely to be in larger workplaces, to adopt proactive positions on management change initiatives and to have external links with other unions. Worker solidarity and worker cohesion are also stronger in comparison to unions where workplace change is introduced unilaterally. Accordingly, these results support our central contention that greater internal solidarity, stronger articulation with other unions and the pursuit of a proactive agenda towards change provide the basis for greater union involvement in workplace change.

These two patterns differ however in one crucial respect : the presence of a network of shop-floor representatives is more frequent in workplaces characterized by joint regulation, namely where changes are introduced following a union-management agreement. While the presence of a network of shop-floor representatives cannot alone command more union involvement, it appears that when it is combined with the mobilization of other power resources, it leads to greater union bargaining power. It can be argued that the presence of a network of shop-floor representatives reinforces the legitimacy of a proactive union agenda towards change. In other words, the dialogue between members and shop-floor representative about union objectives in the change process greatly enhances the legitimacy of union positions. Simply put, democracy becomes a vital source of union power.

### *Case Study Results*

The case studies confirm many of the key findings of the survey results but they also lead us to qualify them further. Figure 1 exhibits the distribution of the cases according to the extent of local union power resources and the degree of union involvement in workplace change. In addition to the three basic patterns of union involvement in workplace change identified above (*unilateral*, *consultative* and *joint regulation*), two other forms of union involvement emerge from the 18 case studies examined. These are *contested unilateralism* and *micro-corporatism*. In exploring each of these patterns of union involvement, we will classify the cases examined and seek to explain the role of both union power resources and institutional context in the movement from one configuration to another.

[Figure 1 about here]

Four plants fit the unilateral pattern: three in Mexico and one in Canada. In addition to being excluded from the decision-making process, these unions are all relatively weak. First, they tend to be isolated : only occasionally accessing their union staffers and not maintaining any horizontal links with other local unions in their industry or region. Moreover, their participation in union activities is either infrequent or tends to be confined to a single person. In either case, the result is much the same since other union representatives and union members do not have access to the kinds of information that might inform their thinking about the direction and implications of workplace change. Second, these unions have not developed basic organizational mechanisms to promote internal solidarity and democracy. There is seldom a structure of shop-floor representatives, even though plant size would seem to commend one, and union paid release time is generally very limited or non-existent. Typically, the local union does not have an office inside the factory. The absence of these resources reduces the local union's capacity to inform, exchange and communicate with its members. Simply put, the communications network inside the union is elementary at best. Third, in a context where local unions are not able to access and disseminate information inside and outside the factory, it is perhaps not surprising that they are unable to formulate and to propose their own autonomous agenda for workplace change. Indeed, these unions tend to be passengers as opposed to participants in the change process, and they are frequently not even able to come to terms with the changes taking place. When the union does have a project, it often does not go beyond seeking to improve the wages of its members. To add to this fairly bleak picture, it should be emphasized that the local unions in this configuration generally face an employer with a unitary labour relations perspective (i.e., the employer does not countenance the existence of competing interests between workers and their firm). Moreover, human resource management practices are sufficiently sophisticated so as to keep the emergence of workers' collective identity at bay.

How does the consultative pattern of union involvement differ from the unilateral pattern outlined above ? Four of the case study plants can be classified as consultative : three in Mexico and one in Canada. These local unions all have union officers whose leadership is recognized by both union members and management. This expertise allows them to formulate counterproposals that reconcile the diversity of interests of their members with the requirements of the employer. These union leaders are seen to be key actors in the change process and management is unlikely to risk initiating change without consulting them. To do so might provoke worker resistance and undermine the legitimacy of the changes that they are seeking to implant. This kind of pattern

involves a union that is able to mobilize certain power resources. We observed two scenarios in the four case studies in this configuration: one where the union has developed several mechanisms to reinforce internal solidarity, but it also appears isolated; the other, where the union is weak on internal mechanisms, but it is able to draw on external resources through its connections to external networks. In the first scenario, the unions have developed their internal resources: typically, an office in the factory, a structure of shop-floor representatives and union paid release time. However, these unions have practically no relations with other local unions in their industry or region. In the second scenario, the unions have weaker mechanisms to ensure internal democracy but they are less isolated. They generally have an office in the factory and union paid release time, but they do not have a structure of shop-floor representatives. However, these local unions are connected outside the plant. Local union representatives are likely to call on their union staffers or counsellors and they participate in the activities organized by the regional and industry unions. What is clear in each of these consultative scenarios is that the local union is able to mobilize certain power resources but not the full range of power resources that we suggest might be required to ensure forms of joint regulation of workplace change.

Only two plants (one in each country) correspond to the most advanced form of union involvement in the change process, a pattern of joint regulation. These two unions were directly involved when work reorganization was introduced in their plant. In fact, the changes were negotiated and the subject of specific union-management agreements. Union power resources within these local unions are more elaborate and diversified. These local unions are able to mobilize internal and external resources and to pursue an autonomous agenda. In addition to the presence of organizational mechanisms to ensure internal solidarity (local union office in the plant, union paid release time, a structure of shop-floor representatives), they tend to use more sophisticated communications mechanisms. For example, in the Mexican plant, the local union organizes both a general union meeting and specific departmental meetings in order to obtain and provide information to members. The union also periodically polls its members in order to evaluate the needs and problems of the rank and file. In essence, the union has developed bi-directional communications channels that reinforce workers' participation in their union. These two local unions are also strongly integrated into networks outside of the factory. They participate in the activities organized by the larger union and they have established regular relations with other local unions in their region and industry. Drawing on their internal and external networks, local union representatives are able to formulate their own agenda towards workplace change. These networks nourish the representatives and further encourage the emergence of an autonomous union project. In contrast with all of the other case studies observed, these unions are able to modify or to alter management change initiatives and we believe that this illustrates our central contention that a greater capacity to mobilize a wider range of power resources leads to enhanced union involvement in the change process.

The particular interest of the case study research is that it further helps us to identify more complex patterns of union involvement in the change process than those suggested by the survey research. While the first three patterns or configurations reported here correspond to type, two other patterns also emerged from the case studies: contested unilateralism (two cases in each country) and micro-corporatism (three cases in Mexico and one in Canada).

Contested unilateralism differs from simple unilateralism in one crucial respect : the local unions are in fact able to mobilize their own power resources. In comparison to the unilateral pattern, these unions have an office in the factory, union paid release time and three out of the four unions in this pattern have a network of shop-floor representatives. However, in one plant this network is fragile : management does not recognize the representatives who cannot get time off to solve worker problems in their department and whom first-line supervisors refuse to recognize as legitimate worker representatives. Nevertheless, in this particular plant, the existence of this structure increases the communication between workers and the union. In addition to these internal mechanisms, these four local unions participate regularly in the activities organized by the industry or regional union and do not hesitate to rely on their union staffers to get information or services. Recently, one Mexican union has also established relations with local unions in Canada and in the US. These external connections allow the unions to compare working conditions and union practices. This latter union also participates in a network of information exchange in the automobile industry in Mexico. These alliances are especially important considering the absence of coordinated negotiations and a national industry union structure in the automobile industry. Given the presence of an internal communications network that permits them to be responsive to the needs of their workers and the external connections, these unions are also able define and to propose alternatives to employer initiatives.

However, management openness towards union involvement is very limited in the cases of contested unilateralism. Management would only tend to accept union proposals if they conform to its competitive logic. Otherwise, union involvement is not welcome. In such a context, the pursuit of an autonomous agenda by the local union tends to be perceived as an attack on management prerogatives. Thus, union involvement is a subject of open conflict between union and management. The local union has sufficient power to engage in this conflict and to find legitimacy for doing so in the eyes of its members. However, that does not mean that the employer is willing to countenance union involvement. This further highlights the complexity of local actor autonomy and, undoubtedly, the need to take account of factors influencing employer strategies and behaviour, other than institutional and industry contexts and the presence or absence of different union power resources.

The pattern of micro-corporatism highlights a different type of social dynamic. Management does not seek to exclude the union from the decision-making process. On the contrary, it actively promotes union involvement. Accordingly, the union is consulted before decisions are taken and its point of view is welcomed. Following this consultation, the union is bound by management decisions and must promote the change initiatives to its members. To some extent, it is difficult to distinguish the union representatives from management because the union representatives have so integrated the predominant management discourse on the requirements of competitiveness in the global era. The union thus acts as a conveyor belt : seeking to convince workers that workplace changes are necessary and will have a positive impact on the competitive position of their factory. In other words, the union also espouses a unitarist framework that promotes the common interest of both workers and management. Indeed, this type of union involvement can move to new levels. In one Mexican plant, the union is directly involved in laying off the workers. It participates in the assessment of the worker records and decisions to lay off their members are taken jointly and announced by both management and union representatives. It will

probably not come as a surprise to learn that laid off workers have little recourse to a grievance mechanism in this case.

In terms of internal solidarity, even though these unions in the micro-corporatist configuration have both an office within the plant and union paid release time, internal union democracy tends to be deficient, albeit in different ways in different unions. In one autoparts plant in Mexico, there is no union executive committee. This structure is replaced by plant delegates, the number of which varies according to the size of the workforce. These plant delegates report directly to the general secretary of the amalgamated union. The method of nomination and dismissal of these delegates as well as the length of their mandate, even though they are established in the union constitution, are determined by the general secretary. A delegate who does not carry out his duties correctly in the view of the general secretary can be dismissed by him. New delegates are named following a consultation with the workers. For delegates, the quality of their relationship with the general secretary of the regional or amalgamated union is absolutely crucial to their future in that role. This relationship tends to be evaluated in terms of the delegate's capacity to maintain cooperative relations with management and to warn of the presence "of undesirable elements" among the workers. In another Mexican plant, the general membership meetings are the exception and not the rule. Important decisions are taken by the executive committee and an intermediate structure that brings together shop-floor representative. In practice, this intermediate structure has replaced membership meetings as the primary form of democracy and membership views can only be heard by delegation. Workers' only input into the life of their union is through the election of shop-floor representatives who participate in the intermediary structure. The last two cases, one in Mexico and one in Canada, correspond to what is generally seen as a pure expression of micro - corporatism. The local union structure takes on the classic form of an executive committee and a general membership meeting. Union activity revolves around the general secretary or union president who has a long tenure in this position. That person is released full-time to engage in union activities and, over the years, has developed very close ties with management and acquired management's confidence.

It might be thought that an internal democratic deficit goes hand in hand with a high degree of isolation. However, this is not the case : all four unions participate in vertical activities and have taken union education courses. However, they do not tend to establish horizontal links with other local union and their vertical links do not seem to reinforce their capacity to formulate an autonomous agenda. In fact, the information that they can gather is used to reinforce their position within the plant.

Finally, it should be stressed that these general patterns observed in the case studies are fragile and unstable. In the cases that we have been able to observe longitudinally, either directly or through key witnesses and complementary studies in the same plants, it possible to identify movement across different patterns. The micro-corporatist patterns appear especially fragile. In both Canada and Mexico, we have observed a move from micro-corporatism to contested unilateralism and then to consultation. This fragility of micro-corporatism can be linked to two factors : first, that management will only facilitate the work of union representatives as long as they actively support management changes initiatives, facilitate the introduction of these changes and promote the commonality of interest between management and workers ; second, occasional changes in local union leadership and, in particular, the reinforcement of local union power

resources can alter the dynamic between management and the local union and cause a shift in the type of union involvement in the change process.

## **Conclusion**

The importance of power for unions in the pursuit of their objectives is hardly new. Neither is the idea that the wage relationship is structured around the imbalance of power between employers and wage earners. So what is new here ? Although globalization does not completely determine power relations, it does shape the contours of these relations. The rise of global corporations, the considerable mobility of capital, the more rapid diffusion of information and the effects of neo-liberalism in the state and civil society have exacerbated the imbalance of power in many workplaces. Yet, the terms of this power exchange have also been altered as employers increasingly rely on the tacit knowledge and commitment of employees to achieve the maximum productivity gains that are required in the global economy. Power then is at the very heart of the reorganization of firms and the terms of the social dynamics underlying that reorganization

Unions have, of course, always relied on their power resources. The central argument, therefore, is that the terms of the power relationship between workers and their employers in this new global context are being redefined and that the major avenue for local union renewal is through a reinforcement of their power resources. This is not meant to be a fatalistic message but rather one of empowerment. Local union action can make a difference but it depends on the ability of local unions to develop their power resources. Moreover, the new global context would appear to require a more systematic development and mobilization of these resources. It used to be that a local union could get by with a more limited set of power resources. In the globalized context, in order to be successful, local unions must draw on a broader range of power resources and do so more intensively and systematically. In a study of more than two hundred local unions in the Quebec manufacturing sector, for example, we found a distinct difference between the capacity of local unions to regulate workplace change with greater and lesser degrees of exposure to the international economy. It was often sufficient for unions in workplaces with more limited exposure to the international economy to be large in size in order to exert a greater influence on the workplace change process. Whereas in establishments with greater exposure to the international economy, either because of multinational ownership or dependence on export markets, local unions needed to mobilize both internal and external resources in order to play a role in change at the workplace (Lévesque and Murray 1998).

Three major conclusions emerge from the survey and case study data analyzed in this article. First, even if the factories in our sample are highly integrated into the world economy, there is little evidence of either a unidirectional or undifferentiated decline in local union power. On the contrary, there is a high degree of variation and local unions adopt quite different postures with regard to the workplace change process. While some local unions are simply excluded, others are highly involved in various forms of joint regulation and appear able to exert an influence on outcomes. The deterministic view of globalization should have led to the reverse situation, namely an increasing convergence of change for which the predominant mode would be unilateralism. This was even more likely to be the case with Mexican local unions where institutional arrangements would seem to reduce the zone of autonomy available to local union action and promote union responses that are subordinated to the competitive logic of their

employers (Artega, 2001; Bayon, 1997; Bensusan, 1998). In this way, and despite the obvious pressures in the context of globalization, local actors appear to have a margin of freedom to choose among a range of possible options and strategies.

However, and this is a second conclusion, institutional contexts do appear to set limits and influence the range of possible local union strategies. In Mexico, for example, unions are more likely to support employer change initiatives than in Canada, where local unions are more likely to oppose such initiatives. This result is consistent with a number of other studies that have observed the tendency of Mexican unions to espouse a vision consistent with managerial views on competitiveness. But this does not imply that institutional context determines both the behaviour of local actors and the patterns of regulation in the workplace change process. Even though we can associate certain patterns of actor behaviour with distinct institutional effects, there is little evidence in this comparative study to support any grand notions of convergence. However, it does appear that the significance of workplace change constitutes less of a rupture for local unions in the Mexican institutional context than in that of Canada.

Third, and this lends considerable support to the central theoretical proposition set out at the beginning of this article, local union power resources appear to exert a considerable structuring effect on patterns of regulation of workplace change. This applies irrespective of institutional and industry context. In workplaces where the local union is unable to mobilize its potential power resources, it is by and large simply excluded from the change process. It does not appear to be a credible interlocutor for the employer. Inversely, in workplaces where local unions are able to mobilize their power resources, they tend to play a more active role in the change process. More importantly, in order to achieve joint regulation of workplace change, the local union must be able to activate three distinct power resources. First, it must have a range of mechanisms in place that reinforce internal solidarity and democracy in the local union. Second, it must be embedded in external networks and be able to draw on expertise and information from those vertical and horizontal networks. Third, it must be able to formulate and put forward its own vision of change.

We were able to observe in the case studies how these three power resources tend to be mutually reinforcing. The absence of one or another genuinely appears to alter the pattern of union implication in the change process as, for example, in the case of consultative patterns where the union tends to lack one or another of these possible resources. In other words, in the context of globalization, the capacity to mobilize the three power resources is a necessary condition for the union to play a real role in the workplace change process. We also observed, however, that this necessary condition is sometimes insufficient, as in the cases of contested unilateralism where the local union is able to mobilize many of the power resources but perhaps not to a degree that can modify management hostility to the possibility of joint regulation. It was also noted that such situations can prove to be highly unstable and vary over time, so that such contested unilateralism could evolve towards simple unilateralism (presuming a weakening of union power resources) or, again, towards consultation or even joint regulation (with a further reinforcement of union power resources and presuming that the employer needs the union to implement change successfully).

The theoretical propositions and power resources framework presented in this article are meant to identify some of the avenues of renewal for local union power. The intent is certainly not to deny the impact of globalization on local union action, nor to offer a facile recipe for union power. It

appears clear from these results that certain local union power resources do make a difference. There is clearly a pressing need to understand better the factors driving the enhancement of each of the union power resources discussed in this article as well as their interrelations with particular institutional contexts. This will involve experimenting with different combinations of resources in different institutional contexts in order to see what is most effective for the building of union and its impact on workplace change. It will also entail the development of union and other educational programs that focus on the dynamics of activating local union and community power in the global economy. What is possibly most intriguing in the results presented in this article is that, despite obvious institutional differences, unions in Canada and Mexico, and, by extension, in other countries, probably have more to share about the dynamics of constructing local union power than the institutional differences that might separates them.

## References

- ANACT, (1999). *Le marché du travail en Amérique du Nord : Profil comparatif*, Commission de coopération dans le domaine du travail, Washington D.C.
- Artega, A. (2000). *Integración productiva y relaciones laborales en la industria automotriz en Mexico*. Tesis de Maestro, Universidad Nacional Autonoma de Mexico, Mexico.
- Bayon, M.C. (1997). *El sindicalismo automotriz mexicano frente a un nuevo escenario : una perspectiva desde los liderazgos*. Juan Pablos Editor, México.
- Bélanger, J., Giles, A. and Murray, G. (2002). "Towards a New Production Model: potentialities, Tensions and Contradictions". In G. Murray, J. Bélanger, A. Giles and P-A. Lapointe (eds.), *Work and Employment Relations in the High-Performance Workplace*. London/New York: Continuum, pp.15-71.
- Bensusán, G. (1998). "L'intégration économique et les relations industrielles en Amérique du Nord : implications pour le Mexique". In R. Blouin et A. Giles (eds.) *L'intégration économique en Amérique du Nord et les relations industrielles*, Ste-Foy : Les Presses de l'Université Laval, pp. 39-62.
- Bensusán, G. (1999). "El sindicalismo mexicano : estrategias a nivel nacional". In L. Pries et E. De La Garza (eds.), *Globalización y cambios en las relaciones industriales*, Friedrich Ebert Stiftung, México, pp. 151-200.
- COSIO-ZAVALA, M-E. (2001). "La population mexicaine en 2000 : évolutions et comportements nouveaux", *Problèmes d'Amérique Latine*, no. 40, pp. 75-92.
- CTM-COMPAREMEX. 1995. "Acuerdos por una nueva cultura Obrera". Semanario CTM, no. 2219.
- De La Garza, E. (1998). "Flexibilidad del trabajo y contratación colectiva en México", *Revista Mexicana de Sociología*, vol. 60, no. 3, 87-122.
- Di Maggio, P.J. and Powell, W.W. (1983). "The Iron Cage Revisited", *American Sociological Review*, 48 (1), pp.147-160.
- Dombois, R. (1999). "Tendencias en las transformaciones de la relaciones laborales en América Latina : Los Casos de Brasil, Colombia y México". In L. Pries and E. De La Garza (eds.), *Globalización y cambios en las relaciones industriales*, Friedrich Ebert Stiftung, México, pp. 15-52.
- Dufour, C. and Hege, A. (2002). *L'Europe syndicale au quotidien*. Bruxelles: P.I.E.-Peter Lang.
- Durand, J-P., Steward, P., and Castillo, J. 1998. *L'avenir du travail à la chaîne*. Paris : La découverte.



- Elger, T. and Smith, C. 1994. *Global Japanization : The Transnational Transformation of the Labour Process*. London, New York : Routledge.
- Frenkel, S. (1994). "Patterns of Workplace Relations in the Global Corporation: Toward Convergence". In J. Bélanger, P.K. Edwards and L. Haiven (eds.), *Workplace Industrial Relations and Global Challenge*, Ithaca: Cornell University Press, pp. 240-274.
- Freyssenet, M., Mair, A., Shimizu, K. and Volpato, G. (2000). *Quel modèle productif ? Trajectoires et modèles industriels des constructeurs automobiles mondiaux*. Paris : La Découverte.
- Frost, A.C. (2000). "Explaining Variation in Workplace Restructuring: The role of Local Union Capabilities", *Industrial and Labor Relations Review*, vol. 53, no 4, pp. 559-578.
- Kochan, T., Lansbury, R., MacDuffy, J-P. (1997). *Beyond Lean Production*. Cornell University Press, Ithaca.
- Kumar, P. (1995). *Unions and Workplace Change in Canada*. Kingston, Ontario : IRC Press.
- Lapointe, P-A. (2001). "Partenariat, avec ou sans démocratie". *Relations industrielles*, vol. 56, no. 2, pp. 244-276.
- Lévesque, C. and Murray, G. (1998). "La régulation conjointe du changement à l'épreuve de la mondialisation : une étude empirique auprès des syndicats du secteur manufacturier", *Relations industrielles*, vol.56, no 2, pp. 244-278.
- Lévesque, C. and Murray, G. (2002). "Local versus Global: Rethinking and Reactivating Local Union Power in the Global Economy", *Labour Studies Journal*, vol. 27, no. 3, pp. 39-65.
- Locke, R. and Thelen, H. (1995). "The Transformation of Industrial Relations ? A Cross-National Review". In K.S. Wever and L. Turner (eds.), *The Comparative Political Economy of Industrial Relations*, Industrial Relations Research Association, Madison, pp. 9-32.
- Marginson, P. and Sisson, K. (1994). "The Structure of Transnational Capital in Europe : The Emerging Euro-Company and its Implication for Industrial Relations". In R. Hyman et A. Ferner (eds.), *New Frontier in European Industrial Relations*, Oxford : Blackwell, pp. 15-51.
- Muller, F. (1992). "Flexible Working Practices in Engine Plants : Evidence from the European Automobile Industry". *Industrial Relations Journal*, vol. 23, no. 3, pp. 191-204.
- Mueller, F. and Purcell, J. (1992). "The Europeanization of Manufacturing and Decentralization of Bargaining : Multinational Management Strategies in the European Automobile Industry", *International Journal of Human Resource Management*, vol. 3, no.1, pp. 15-34.
- Murray, G., Lévesque C., and Vallée, G. (2000). "The Re-Regulation of Labour in a Global Context: Conceptual Vignettes from Canada", *The Journal of Industrial Relations*, vol. 42, no 2, pp. 234-257
- Otis, L. (1999) "Unions' Responses to Teamwork : Differences at National and Workplace Levels". *European Journal of Industrial Relations*, vol. 5, no. 1, pp. 49-69.
- Pries, L., Garcia, G. and Gutierrez, C. (2000). *Entre el corporativismo productivista y la participación de los trabajadores: globalización y relaciones industriales en la industria automotriz mexicana*, Universidad Autónoma Metropolitana : Mexico.
- REYNAUD, J-D. (1989). *Les règles du jeu : l'action collective et la régulation sociale*. Paris: Armand Colin.
- Sreek, W. (1987). "Industrial Relations and Industrial Change : The Restructuring of the World Automobile Industry in the 1970s and 1980s". *Economic and Industrial Democracy*, no. 8, pp. 437-462.
- Tilly, C. and Tilly, C. (1998). *Work under Capitalism*. Boulder: Westview Press.
- Yin, R.K. (1994). *Case Study Research : Design and Methods*, Thousand Oaks : Sage.

**Table 1 : Overview of the Process of Workplace Regulation and Union Characteristics by Country**

	Canada (n=46) %	Mexico (n=46) %	Total (n=92) %
<b>Dependent Variable: Process of Workplace Regulation*</b>			
Unilateral	40,4	19,6	30,1
Consultative	23,4	32,6	28,0
Joint regulation	36,2	47,8	41,9
<b>Union Power Resources Indicators:</b>			
<b>Internal solidarity**</b>			
Shop-floor representatives	93,8	56,3	75,0
Paid union release time	72,9	50,0	61,5
Worker solidarity	50,0	60,4	55,2
Worker cohesion	72,3	74,5	73,4
<b>External solidarity*</b>			
Isolated	31,3	29,2	30,2
Vertically integrated	50,0	22,9	36,5
Vertically and horizontally integrated	18,8	47,9	33,3
<b>Union position towards management change initiatives**</b>			
Proactive	38,6	35,1	37,0
Support	40,5	90,9	67,9
Oppose	29,7	6,8	17,3
Non-committal	40,5	11,4	24,7
<b>Control Variables:</b>			
Plants in the auto industry	58,3	68,8	63,5
Plants with more than 500 workers	34,0	32,6	33,3

\* Variables are mutually exclusive

\*\* Variables are not mutually exclusive

**Table 2 : Discriminant Analysis with Union Power Resources as Independent Variables and Country of Origin as Dependant Variable**

Independent Variables	Discriminant Coefficient	Univariate F
<b>Union Power Resources Indicators:</b>		
<b>Internal solidarity</b>		
Shop-floor representatives	-.35	13,8**
Paid union release time	-.18	3,86*
Worker solidarity	.18	3,63*
Worker cohesion	.08	0,72
<b>External solidarity</b>		
Vertically integrated	-.08	0,73
Vertically and horizontally integrated	.31	10,62**
<b>Union position</b>		
Proactive	.04	0,26
Support	.57	36,7**
Oppose	-.25	7,45**
<b>Control Variables:</b>		
Plants in the auto industry	.13	1,90
Size of the workforce	-.09	0,89
Functions at group centroids		
Mexico	1.08	
Canada	-1.23	
Canonical correlations	.761**	
N	77	

\* p<.1, \*\*p<.01

**Table 3 : Discriminant Analysis with Union Power Resources, Country and Sector as Independent Variables and Degree of Union Involvement as Dependant Variable**

Independent Variables	Discriminant Coefficient Function 1	Discriminant Coefficient Function 2	Univariate F
<b>Union Power Resources Indicators:</b>			
<b>Internal solidarity</b>			
Shop-floor representatives	-.12	.67	5,28**
Paid union release time	.00	.26	0,78
Worker solidarity	.39	.02	2,70*
Worker cohesion	.32	-.28	2,75*
<b>External solidarity</b>			
Vertically integrated	.03	.12	0,19
Vertically and horizontally integrated	.40	.15	3,13*
<b>Union position</b>			
Proactive	.40	.24	3,48*
Support	.30	-.05	1,60
Oppose	.07	.44	1,07
<b>Control Variables:</b>			
Plants in the auto industry	-.09	-.19	0,56
Size of the workforce	.43	-.19	3,75*
<b>Functions at group centroids</b>			
Unilateral	-1.1	.23	
Consultation	.11	-.87	
Joint regulation	.50	.37	
Canonical correlations	.52**	.48*	
N	77		

\* p<.1, \*\*p<.01

**Figure 1: Relationship between the Degree of Union Involvement in Workplace Change and the Extent of Union Power Resources**

**Extent of Union**

**Power Resources**

