A COLLECTIVE BARGAINING STRATEGY FOR TRADE

Unite Research Department
# A Collective Bargaining Strategy for Trade

## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive summary</td>
<td>2</td>
</tr>
<tr>
<td>Introduction: trade is an industrial issue</td>
<td>3</td>
</tr>
<tr>
<td>Timeline of trade and work</td>
<td>6</td>
</tr>
<tr>
<td>Trade is a collective bargaining issue</td>
<td>7</td>
</tr>
<tr>
<td>Supply chain disruption: Covid, Brexit and trade</td>
<td>17</td>
</tr>
<tr>
<td>Vulnerabilities and threats: power within supply chains</td>
<td>20</td>
</tr>
<tr>
<td>Building supply chain solidarity</td>
<td>22</td>
</tr>
<tr>
<td>Power analysis: the views of Unite workplace reps</td>
<td>25</td>
</tr>
<tr>
<td>Unite’s programme for international trade</td>
<td>28</td>
</tr>
<tr>
<td>Big in Japan: The UK’s first Free Trade Agreement</td>
<td>29</td>
</tr>
<tr>
<td>A collective bargaining strategy for trade</td>
<td>31</td>
</tr>
<tr>
<td>Conclusion</td>
<td>34</td>
</tr>
<tr>
<td>Recommendations</td>
<td>35</td>
</tr>
<tr>
<td>Appendices:</td>
<td></td>
</tr>
<tr>
<td>Appendix 1: Reps checklist</td>
<td>36</td>
</tr>
<tr>
<td>Appendix 2: Methodology</td>
<td>38</td>
</tr>
<tr>
<td>Appendix 3: Glossary</td>
<td>39</td>
</tr>
</tbody>
</table>
Executive summary

- This research proposes a **new industrial strategy for post-Brexit trade**, which is based on coordination between workplace representatives (reps) and is grounded in collective bargaining.

- This strategy calls for a new approach to support **coordination between reps across industries and Unite's sectors at the workplace level**. This recognises that industries are now organised so that all workplaces exist within supply chains rather than in isolation.

- The research is based on **30 structured interviews with Unite reps** between May and October 2020. The reps were selected based on exposure to trade disruption, either at the **workplace or industry level**.

- Trade is explored in terms of industrial impact and disruption. **70% of the Unite reps interviewed see a threat to their site**, while 33% see both threats and opportunities.

- **97% of reps interviewed saw the immediate or possible potential of a collective bargaining strategy** (taken to mean using bargaining, union density and solidarity between Unite reps to benefit workers throughout supply chains) to counter the industrial impact of trade.

- The paper considers the **vulnerabilities of supply chains**, as exposed by both Covid-19, Brexit and trade, as both a **risk and an opportunity**.

- The paper explores the potential for 'supply chain solidarity' between reps to **share industrial intelligence, identify strategic chokepoints and coordinate collective bargaining** to build new industrial leverage.

- The most commonly reported challenge to this are **internal barriers** between reps in different industrial sectors. **43% of reps interviewed had made informal links within their supply chain**, but only 7% had used union structures to build formal links.

- While 53% of relevant reps could name the road haulage company linked to their site, only 16% had established an actual link to either a Unite rep or a member.

- **Competition between sites for investment was identified as a major threat by 43% of reps interviewed**, but 38% of reps had no links to a union there.

- Due to Covid-19, **60% of reps interviewed had resorted to digital tools** (Zoom, WhatsApp, etc.) to organise, communicate with members and deal with employers. **67% of those reported a positive experience** of using these tools, suggesting they could help sustain supply chain coordination.

- The paper recommends a **collective bargaining strategy** for Unite workplace reps, with an accompanying 'checklist' to help assess threats and opportunities.

- Recommendations for reps include using pay claims to win trade union access to other sites within the supply chain, winning agreements to represent and organise all Unite members when they are on a given site even if they are outside the formal bargaining units (e.g. road haulage drivers), and for Health & Safety reps to seek access to supply chain sites to assess threats and establish new connections.
Introduction: trade is an industrial issue - shifting terrain

In 1966 the first transatlantic container ship arrived into the Port of Grangemouth. Having delivered US Army material to Germany, the ship’s 226 containers were loaded with Scotch whisky for return sailing to the United States. In 2020 *HMM Algeciras*, the world’s largest containership, arrived into the London Gateway from Qingdao, China with a capacity of 9,800 containers. The development of international trade in the half century between those two events has repeatedly shaped, disrupted and re-shaped the jobs and lives of Unite members in every part of the UK far beyond the docks.

The history of trade over the 20th and 21st centuries is not one of a smooth transition to globalisation, but one of sharpening tension, disruption and repeated crises. The General Agreement on Tariffs and Trade (GATT) first sought to establish an international trade regime in 1948. From this point three parallel trends emerged and accelerated to reshape the world of work:

1. The expanding scope of trade agreements, from tariff reduction in 1948 to investment chapters and the ‘right to regulate’ by 2014. For the UK, European integration between 1973 and 2020 can be considered part of this trend.
2. The growth of multinational companies from the 1960s, their growing importance as a source of inward foreign direct investment (FDI) to the UK in the 1980s and 1990s (particularly from the United States, Germany, Japan and now China). This was followed by the consolidation of multinational industries since 2008.
3. The transition from the ‘logistics’ of the 1950s to ‘Supply Chain Management’ in the 1990s transforming the global infrastructure of supply and value chains.

International trade has expanded far beyond the terms of the GATT, from tariff reductions to the liberalisation of industries and services, and then to determining standards, rights and regulations which override domestic laws. This process has been confronted by, and caused, a series of crises. Trade liberalisation arose from the economic malaise of the 1970s, while the failure of multilateral trade in the 1990s and the global financial crisis of 2008 resulted in the new generation of Free Trade Agreements (FTAs). Employers and investors have responded to each disruption and each advance of ‘free for all’ trade with new or accelerated strategies to reshape industries, workplaces and jobs.

In parallel to the expanding scope of trade has been the rapid development of international logistics. The first transatlantic containership may have arrived into Grangemouth in 1966, but only 10 years after the first appearance of this new technology 80% of all relevant¹ UK trade was being moved in containers. By 2010 over 700 million containers were shipped annually.² This rapid growth, which has continued to 2020, has not only been driven by technology such as larger ships and automation at the docks. By the World Trade Organisation’s admission the main factor in reducing the cost of global shipping has been de-regulation and exploitation as shipping companies began “registering ships under flags of convenience to circumvent regulatory burdens and especially manning costs”.³ This impact on labour at sea was mirrored on land. In the UK containerisation and automation saw total employment in the docks industry fall by 72% from 1961 to 2001, while the occupation of “dockworker” or “stevedore” lost over 90%.

---

¹ Freight including components and consumer goods, rather than ‘bulk’ materials such as Iron Ore.
² Off The Waterfront, the long term impact of technological change on dock workers, Nottingham University, [URL](#).
³ Trade, the location of production and industrial organisation of firms, World Trade Organization, [URL](#).
⁴ Off The Waterfront, the long term impact of technological change on dock workers, Nottingham University, [URL](#).
On land, these trends also combined to form the ‘Toyota’ model, first imported into the UK in the 1980s. This was a new development of ‘supply chain management,’ which has always focused on one overriding factor: time.

“Supply chain strategies require a total systems view of the links in the chain that work together efficiently … costs must be lowered throughout the chain by driving out unnecessary expenses, movements, and handling. The main focus is turned to efficiency and added value, or the end user’s perception of value. Efficiency must be increased, and bottlenecks removed. The measurement of performance focuses on total system efficiency.”

The Toyota model – known as ‘Kaizan’ or ‘continuous improvement’ - was the next stage of this approach. Highly mobile foreign investment was combined with outsourcing, subcontracting and internationally fragmented production. In the workplace all ‘friction’ was removed from the production process – identified as high inventory levels, imperfect parts or ‘idle’ labour time. The model - “at its heart a battle for time” – adopted the two-pronged approach of ‘management by stress’ and Just in Time (JIT) supply. Components were to be delivered within sequenced thirty-minute time frames, rather than three day delivery windows, while lean working demanded ever faster production lines to squeeze productivity gains from the workforce.

The resulting increase in productivity since the arrival of ‘management by stress’ methods and JIT supply has been phenomenal. Automotive output per job grew 208% between 1999 and 2018, resulting in an increase in value from £32,000 to £100,900 worth of output per job during those two decades. (In 2019 Toyota in Burnaston, Derby, produced 148,106 cars; 40 an hour.)

While Toyota was the pioneer of this model it is now far from alone as the model has been exported across the economy. For example, in the aerospace industry this process of fragmentation means that a company such as Airbus now has 1,676 publicly disclosed ‘tier 1’ suppliers, but as many as 12,000+ suppliers down the chain.

2016-2020: The end of globalisation?
In this context the UK’s negotiation of the first trade deal to reintroduce trade barriers, the trade wars of Donald Trump in 2018 and even the impact of Covid-19 are not anomalies, but the latest in a series of disruptions. As with previous crises, capital will seek to answer it with new or accelerated strategies ranging from offshoring and outsourcing to new waves of corporate consolidation which increases competition for investment. These strategies also include the major recalibration of global supply chains, raising the potential for a period of ‘de-globalisation’ as companies consider nearshoring or repatriating supply.

Just in Time supply and lean working are the manifestations of neoliberal ‘free for all trade’ in the workplace. This economic model pits country against country, company against company, and, most importantly, worker against worker in a race to the bottom. Comparative advantage is gained from employers producing and moving goods and services into new economic territories as quickly and cheaply as possible. It is a model which has become entrenched in every sector of the UK economy from our food supply to waste management and higher education.

---

5 Tony Hines, Supply Chain Strategies: Customer Driven and Customer Focused, 2004
6 Kim Moody, On New Terrain, Pluto Books, 2018
7 Automotive Production, SMMT, URL
8 Toyota Company Background, 2019, URL
9 Analysis based on 668 out of 1,371 companies in MSCI index (URL)
Trade cannot simply be left to the trade experts and policy advisors. Trade would simply not exist without workers, even taking into account huge technological advances and the drive towards automation. The costs and benefits of trade are a constantly evolving issue that is representative of the structural tensions between labour and capital. Reducing the costs and increasing the benefits of trade is what ultimately makes trade a collective bargaining issue for Unite reps.

As the experience of Donald Trump in the US has shown, a retreat towards nationalistic protectionism is not the answer. Similarly, while Unite will continue to work closely with European sister unions and federations, Brexit is one reason why a return to the ‘embedded liberalism’ of the 1960s or a reliance on existing corporatist structures no longer offer a strategy either.

This paper proposes that Unite’s strategy must be based primarily on understanding how trade re-shapes work and power within the workplace as a means to close the gap between trade as an abstract issue and its real world industrial impact on members. To do this, workplaces must no longer be seen in isolation – but as connected within supply chains and networks of fragmented production. The ‘Toyota’ model of fragmented production and supply, long since extended across the economy, must ultimately be reversed. As this paper will show, this is a conclusion which has also been drawn by corporate consultants who are now tasked with finding the vulnerabilities of this same system in the light of both Covid-19 and Brexit.

Unite should use its political and institutional influence to have a loud collective voice in the public debate and scrutinise the current government’s post-Brexit trade agenda. The focus must be on establishing a strategy by the union’s shop stewards and workplace reps which is grounded in collective bargaining and solidarity across supply chains.
Timeline of Trade & Work
1948-2020

1948
Creation of the General Agreement on Tariffs and Trade the basis for the modern trade regime.

1950's
Supply Chains
War time logistics becomes corporate transport management, investment in trucking, containerisation and new methods of freight.

1960's
First transatlantic container ship arrives into the UK (Grangemouth)

1973
The UK joins the European Community

1980's
Multinationals
By the end of the 1980's one-third of world trade is intra-company (within new multinationals)

1995
World Trade Organisation founded

1999
Toyota Model
Arrival of Toyota model of JIT supply & lean working in the UK

2000's
Supply Chains
Introduction of globalised Supply Chain Management

2001
Doha round of WTO attempts to extend trade into 'liberalising' services

2008
Financial Crisis
Following 2008 world GDP drops by 5% and world trade drops by 10%

2010
China becomes the world's largest exporter

2013
Opening of London Gateway, the UK's first megaport

2014
CETA & TTIP
The new generation of trade deals

2016
UK votes to leave the EU

2018
CETA is ratified.

2020
Trump's trade war with China & EU and imposition of tariffs

2020
Covid-19 pandemic results in 9.2% collapse in global trade (WTO)
Trade is a collective bargaining issue

The history of international trade is one of repeated economic and industrial disruption with significant impact on reshaping work. This being so, to what extent can the industrial impact of trade be seen as an issue which can be countered by workplace reps and shop stewards at the bargaining table and beyond?

In the structured interviews for this project 70% of shop stewards, workplace reps and site convenors saw trade as a threat to their members, while half also saw it as a potential opportunity. Reps identified the ‘race to the bottom’ and rivalries between international sites for investment as two significant ways this industrial impact manifested itself. The overwhelming view, shared by 97% of interviewees, is that there is either an immediate or potential value for a collective bargaining strategy to counter these issues.

Is trade seen to be shaping the industrial problems faced by Unite members?

The Unite shop stewards and workplace reps interviewed for this report were selected following analysis of sector-level risk by the Unite Research Department. That work included a criterion for identifying workplaces most exposed to any changes in the UK’s post-Brexit trade agenda. These impacts could be negative – e.g. disruption to supply chains, threatened relocation, increased tariffs. They could also be seen as positive, such as the belief that an increase in trade equals an increase in employment, or that the short-term benefit of a weaker British pound to exporters.

Do Unite reps see trade as a threat or an opportunity?

Reps were asked a series of questions concerning the specific nature of their company and the potential for it to be impacted by changes in the UK’s trade agenda. Out of the 30 reps interviewed for the project, 70% believed that trade posed a threat to their sector particularly from new trade barriers or a loss of access to the European Union, but 30% did not. Separately, 50% saw the potential for opportunities, and 33% saw it as both.

It is also worth noting that of the reps who saw trade as both a threat and an opportunity, this sense of opportunity was in many cases derived from the theoretical benefits of trade rather than the current situation facing their workplace.

“With trade there’s always the potential to expand, but then there’s always the threat of low-cost labour and whether the company will invest heavily over here. And we’ve seen that already. Over the last 10 years since we’ve started using our Hungarian plant our workforce in our finishing department has declined from around 95 to 20. So, if we start sending more work into Hungary I don’t know what will happen to our remaining finishers. We’ve asked the company and they’ve said they’ll always keep a skeleton crew here just in case Hungary can’t do the work and they’re needed. But there’s obviously a possibility that more and more work will move in the same way.”

Unite Workplace Rep, Base Metals Sector, South West

Opinion was far clearer on the potential for a collective bargaining strategy, with 97% of interviewed reps either seeing the immediate value in their workplace (80%) or that it is a possibility (17%), with only 3% (one interviewee) believing it that is not currently possible.
Support was strongest in Docks, Chemicals, Pharmaceuticals, Process & Textiles (CPPT) and Road Transport Commercial, Warehousing & Logistics (RTCW&L) sectors. Reps who saw it as a potential idea went on to suggest barriers, such as the difficulty in identifying other Unite reps in their supply chains who are outside their immediate industrial sector; or hostility from the employer. Others identified problems with resources – mostly the time commitment by reps and shop stewards who are already working to capacity – or the belief they may not be sufficiently supported.

“**It’s all about us taking a step forward together so that no one is left behind. A collective bargaining approach to trade… I’d like to say ‘yes’ but I just don’t know how it would work and how you could apply it across all sectors. I don’t know what ideas people have got for that but I can just see so much resistance.**”

**Unite Workplace Rep, Docks Sector, London & Eastern**

“I do think there is a value in it. However, what I would say is that for us ordinary lay members we have knowledge of our particular industry but I wouldn’t have the in-depth knowledge that you guys (sic) have about trade. So, yeah, I would welcome it, but I would say that you can’t expect too much from us because we obviously have very, very limited facility time. And it’s a very limited pool of guys that you’re talking about here that are active. But the opportunity for us to have more information so that we have the tools moving forward rather than thinking that we already have all the information to hand would be great”.

**Unite Workplace Rep, Docks Sector, Scotland**

**Tariffs and disruption to supply chains**

Understandably, Brexit dominated responses to the issue of potential trade threats. The threat of a No Deal Brexit or a deal that increases tariffs on goods and services trading between the UK and EU was one of the key concerns for reps. While some companies assured reps that these extra costs would be absorbed, many reps were sceptical and believe tariffs could directly or indirectly lead to job losses or attacks on pay and terms and conditions.

An example of the impact of increased tariffs can be taken from a rep in the packaging industry in Northern Ireland. The site has a sister plant in the Republic of Ireland which would have been used to take volume from them in the event of a No Deal Brexit. This was a
concern because the majority of the site’s contracts are with pharmaceutical companies based on the west coast of Ireland.

A No Deal Brexit with tariffs of 10%, let alone complications with the Irish border which the site is next to, was forecast to affect at least 60% of the site’s business with little fall-back as the company does not supply anywhere else in the EU. The company have begun changing some of their supply chain to UK companies, but because paper predominantly comes from Scandinavia any extra cost resulting from Brexit may make a lot of contracts unviable.

Brexit not only posed a threat in terms of market access but also to sectors that have deeply integrated supply chains with companies based in the EU. This is particularly the case with manufacturing sectors such as automotive and aerospace, both of which have already been severely impacted by Covid disruption affecting sales. Both sectors rely heavily on components travelling back and forth across the continent multiple times in the manufacturing process, often on a ‘just-in-time’ basis. In this situation there is also the potential for trade disruption to echo down supply chains creating further disruption and possible job losses.

Beyond Brexit, the impact of increased tariffs has already been felt by reps as a result of the US imposing tariffs on steel, Scotch whisky (both 25%) and aluminium (10%).

**Seeking competitive advantage: the ‘race to the bottom’**

Due to the nature of free trade, increased costs, insecurity and disruption all lead to increased competition between employers who are seeking to secure their investment, gain a competitive advantage and increase market share. Employer strategies to seek cheaper labour and production costs precede neoliberalism but have been intensified by the globalisation of the world economy, aiding the ability of multinational corporations to move capital, goods, services and labour across borders.

Brexit and increasing tensions between the major trading powers have created conditions for employers to exploit uncertainty and rising costs to potentially move sites to countries with cheaper labour or rely more heavily on existing sources of cheaper labour. As a senior shop steward within a CPPT sector multinational explained, this will not only threaten jobs in the UK but also raises the wider problem of developing transnational solidarity between workers who are forced into competition with each other through trade:

“One of the big issues that we face is internal trade within the company. So, being a global multinational company, we’ve got sites all over the world and we’ve seen an awful lot of movement of production to lower-wage economies. We see factories being played off against other factories. So, that kind of internal trade is certainly something that we were very aware of in terms of the impact it has on the headcount in the UK. We try really hard to counter it as much as we can with international solidarity, having links through the global union federations, but it’s difficult. It’s not always the first thing that reps in other countries will think about in terms of ‘should we accept this tonnage coming from the UK which is going to secure jobs on our site or should we stand in solidarity with our trade union brothers and sisters?’ That’s a conversation that I don’t think happens enough… Most of this company’s development over the last 20-30 years has been in developing and emerging markets, and multinational capital tends to chase the lowest wages wherever it is in the world.”

For reps who have rival sites within their company this kind of threat is always looming in the background. This raises vital strategic questions about how to build solidarity between
workers to avoid or mitigate the ‘race to the bottom’ that is central to the logic of neoliberal free trade.

In this study, the issue was raised by shop stewards and reps within the automotive, aerospace, base metal and pharmaceutical industries. Of those to whom the question was applicable 43% were able to identify a ‘rival’ site to which work could relocate and saw this threat growing in 2021.\textsuperscript{11}

**Freeports: coordination between sectors**

The Government’s proposals for new freeports extends the dynamic of competition between workplaces to industrial sectors and whole towns, but it also shows the practical importance of reps and shop stewards coordinating their response across industrial sectors.

On November 16\textsuperscript{th} the Government opened bidding in England for seven of the ten proposed UK-wide freeports.\textsuperscript{12} Based on ‘Free Trade Zones’ in the United States, freeports are designated areas which are exempt from tariffs, import VAT or excise duties.

Not only are individual port towns now competing, but as Unite and the TUC submissions to the Government both cited, freeports do not generate new economic activity but encourage existing companies to relocate to within the newly established area.\textsuperscript{13}

For manufacturing sectors, freeports are supposed to allow importers of ‘intermediary’ goods to avoid tariffs entirely. A component can be brought into a freeport and then re-exported for final assembly without having entered the UK domestic market and therefore without having to pay a tariff.

Similarly ‘tariff inversion’ means a manufacturer can import a component into a freeport and if the final assembly takes place within the zone the employer only needs pay the tariff on the final product when it enters the UK market. This is a benefit if the tariff on the final product is lower than that of the component. (In practice the UK’s proposed tariff schedule shows these opportunities are exceedingly limited\textsuperscript{14}.)

The interviews with reps and shop stewards from the docks and neighbouring manufacturing sites show an ambivalence over freeports as both a threat and an opportunity. The prospect of more investment is balanced against any undermining of workers’ rights, however organisational strength is seen as the determining factor. In reference to their own strong density and structural power, the common concern voiced by dockworkers was for those employed outside of their dock, but within any freeport zone. In Southampton, which was a freeport until 2012, the shop steward said:

“\textit{I think it would depend on where the free port actually operates. If it’s within the port and then the jobs that are supposed to be created are good, well-paid, full-time jobs then I think that could be a good thing. But if they’re going to be jobs that are either just outside of the port itself or maybe 20 miles away they could be agency jobs, low-paid, precarious work. It’s all a bit unclear at the moment. It’s OK creating jobs, but what kind of jobs are they?”}"

Another contender is Immingham, the UK’s largest bulk terminal port as the port of entry for raw materials for steel, power stations and the large petrochemical manufacturing ‘cluster’ around the

\textsuperscript{11} 37% of all interviewees (30) reported this. This rises to 50% when the ‘non-applicable’ responses are removed. (For example Ports which cannot be relocated.) Of those who could have a workplace moved 50% reported it as an imminent threat.

\textsuperscript{12} Freeports bidding process opens for applications, Government bidding. Gov.UK, URL

\textsuperscript{13} Unite and TUC submissions, URL

\textsuperscript{14} Tariff Inversion, UK Trade Observatory, URL
Humber. Again, the shop steward at Immingham reported that the Port Director was ‘very keen’ but raised concerns that the local economy would not benefit and that in the context of Brexit any lowering of workers’ rights "could push down wages in a very poor part of the country."

Plans for a London freeport show the potential for tension but also the potential for cross-sector collaboration on this issue. DP World and Forth, who operate London Gateway and the Port of Tilbury respectively, have announced a joint bid to develop a ‘Thames Freeport.’

The shop stewards at the Port of Tilbury have been proactive in following this development, having been involved with both the government consultation and meeting with the employers’ organisation. They have sought agreement from the employer that any changes to employment or health and safety standards will be opposed.

The public announcement by Forth Ports highlights that the Ford Engine plant and the accompanying wharf at Dagenham could be included within the Freeport. Currently Dagenham exports engines to Europe, Turkey and South Africa for final assembly. It is not coincidental that the London Corporation has now lodged plans to relocate the three historic food and produce markets, Smithfield, Billingsgate and New Spitalfields, to a new site next door to Dagenham with access to Ford’s wharf. This is something reps are following closely and one view shared between reps in manufacturing and the major London docks is that while the legal ramifications of freeports remain unknown, the determining factor is density.

“It depends what the issue is and how strong you are collectively. If it’s an attack on terms and conditions and you’ve got weak density as well as any legislative changes involving those workers then it’s going to be really difficult. Because we don’t yet know exactly how they are going to operate and whether there will be any legal changes – who’s to say they’re not going to come down harder on freedom of association? That is the concern I think. I don’t think it’s much of a concern for port workers in ports because I think we are pretty well organised compared to most workplaces and I don’t think the employers would attempt it. But if these freeports encompass large areas of land outside of existing ports then that could be a different kettle of fish entirely.”

Unite Workplace Rep, Dock Sector, London & Eastern

Unite’s position on freeports has been to scrutinise the Government’s claims of generating new economic activity and to warn of the potential legal dangers. Freeports are totemic for the entire issue of international trade. There is currently no prospect for preventing the Government’s freeport plans. However, London is an important example of how reps between different sectors impacted by this issue must be able to coordinate how they respond to changes it will bring on the waterfront and beyond.

In London, discussions between reps are already taking place. Similarly the reconvened Humberside Hub project, which is led by Unite reps with the support of the Regional Coordinating Officer, has also recognised this need for coordination and is seeking to take a lead on this issue. This shows both the value and potential practical purpose of such cross-sector bodies - whatever they may be called or however configured - provided their primary focus is coordinating a shared industrial programme led by participating reps.

---

15 City of London lodges plans to move historic markets to Dagenham, Construction News, June, [URL](#)
**Employer consultation on trade issues:**

It is clear that trade is an industrial issue and that its impact in the workplace, and between workplaces, requires a strategy which is rooted in collective bargaining and fosters solidarity.

Having established that trade can be a collective bargaining issue, are Unite reps currently consulted on trade issues by their employers? Of the 30 reps interviewed, responses to the question ‘are you consulted on trade issues by your employer?’ were split 50/50 between ‘yes’ and ‘no’.

The split was largely down to what they considered a ‘trade issue’ to be and if formal structures were already in place. For those reps who are consulted on trade issues, the presence of a European Works Council and, more importantly at local level, very high union density played the most significant role.

The former provides for some degree of information and consultation rights, particularly between senior reps in different trade unions. Half of interviewees reported that they had formal links with other unions internationally through bodies such as European Works Councils and that trade-related issues were in their scope.

> “We get regular Brexit updates through EWC and discuss general trade issues such as the supply chain issues during Covid. But nothing as specific as impact of new trade deals. Our priority is improving union links within the different sections of the company to share common concerns.”

- **Unite Workplace Rep, CPPT Sector, Republic of Ireland**

High density opened up other, but sometimes less formal channels directly with employers or individual senior managers on the impact of trade. This is particularly the case if high density exists in a sector that is closely linked to trade. It is not a coincidence, for example, that the reps from the docks sector interviewed for this project - who between them have an average union density of over 90% - all reported that they discussed trade issues directly with their employer. Away from the docks interviews, convenors in sites with high density, especially those who represented multiple sites, discussed these informal channels. In the case of two unrelated companies in the CPPT sector this included weekly scheduled catch up meetings with senior management during Covid or having an ‘open door’ to senior management to ask anything.

It is also worth noting that by drawing this distinction between formal and informal some reps pointed out that this did not mean they were receiving genuine consultation, which means access to information can dry up if circumstances change. An example was given from a major base metals employer where the change in ownership saw a complete change in attitude from the local HR department regarding information they were prepared to share – despite the HR personnel remaining the same. Conversely, some reps also questioned the value of being consulted on trade issues by their employer, in some cases based on the logic that a ‘natural’ division of labour exists between the employer and the trade union.

In total, **47% of the reps interviewed believed that there are issues that their company should be consulting the union on but currently aren’t**. These issues include contingency planning for Brexit, the potential impact of Brexit, sectoral trends, and future company plans. All are trade-related issues which could have a significant impact on Unite members’ jobs, pay, and terms and conditions.

In a training workshop organised by the CPPT sector to discuss this project and this issue specifically, the question of consultation and information gathering was developed further.
The additional question was added: “What information do you currently not have but need. Who else has access to it?” The reps, including four participants in this study who formed a panel to lead the discussion, agreed that a collective bargaining agenda can start by seeking the maximum amount of information from the employer, but other Unite reps in their supply chain would be an invaluable addition. The example was given of oil refinery workers who would benefit from a link to senior Unite reps in the Civil Air Transport sector for insight on changing demand.

Conclusions: trade as a collective bargaining issue

Based on the interviews and analysis of sector-level risk carried out by the Unite Research Department as part of this project, the table below lists risk factors identified as making a site vulnerable to trade disruption:

<table>
<thead>
<tr>
<th>Risk factors which make a site vulnerable to trade disruption</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is your workplace reliant on exports?</td>
</tr>
<tr>
<td>Which are the most important markets?</td>
</tr>
<tr>
<td>How important is the UK market?</td>
</tr>
<tr>
<td>Could your industry be disrupted by new imports? (i.e. dumping, imports at lower standards)</td>
</tr>
<tr>
<td>Is the site in the supply chain for another site? (In same or different sector)</td>
</tr>
<tr>
<td>Is it possible for your work to be relocated?</td>
</tr>
<tr>
<td>What proportion of your supply chain is UK-based?</td>
</tr>
<tr>
<td>Has the employer entered into a collaboration, joint venture or merger with another?</td>
</tr>
<tr>
<td>Is the employer offshoring work?</td>
</tr>
<tr>
<td>Is the employer outsourcing work?</td>
</tr>
<tr>
<td>Is the employer nearshoring or reshoring work or their supply chain?</td>
</tr>
<tr>
<td>Is the employer looking for ‘flexibility’ by shifting from a single to multiple suppliers?</td>
</tr>
<tr>
<td>Is it possible for your work to be relocated?</td>
</tr>
</tbody>
</table>

It is clear that from the reps’ perspective, trade is an industrial issue and can be made a collective bargaining issue. There is absolutely no question that the majority of employers will be making their own strategic decisions based on the potential impact of the UK’s future trade agenda. As such it is central that reps seek to gain as much information as possible from their employer on trade issues. Reps should see the acquisition of industrial information as a key component of their strategy to mitigate and resist the impact of trade disruption.

It is vital that a culture of sourcing and sharing such information is expanded within the union, particularly within interlinked networks of workplaces such as supply chains. This should be done on a strategic basis and as a means of arming reps with the tools to pre-empt trade disruption and resist employer opportunism. The priority in this respect should be the horizontal sharing of information between reps that are industrially linked. Unite is a lay member-led trade union, which means such ‘horizontal’ links between reps and shop stewards across workplaces and sectors, will be supported but not constrained by Unite’s existing structures. This report intends to be a starting point in highlighting the potential for this kind of strategy and how it could be achieved.

---

16 CPPT Workshop, Trade Deals and Supply Chains, 16 October 2020
Covid-19: a precedent for disruption?

This paper presents changes to post-Brexit trade primarily as a disruptive event. It therefore makes sense to consider how employers are currently reacting to Covid-19, an indisputably disruptive global event, to see if any precedents have been set. The interviews conducted for this report suggest that in workplaces with strong organisation the employer worked with the reps on strategies to make the workplace safer, although cases of employer opportunism and hostility began to emerge.

80% of the reps interviewed for this project believed that their employer had initially acted responsibly during the pandemic, a fact partially attributable to the fact that half of the reps interviewed for this project reported a union density of 90% or higher. Where density was high the employer had sought to work with the Unite Convenor or rep and the union’s health and safety reps. This is not inconsistent with the findings of a separate survey of some 1300 Unite reps conducted in May 2020 which found nearly two-thirds reporting their employer is behaving responsibly (with a likely wider range of density levels between respondents).

Actions the reps considered ‘responsible’ included the speedy procurement of PPE, preparation to change shift patterns and site layouts, adoption of social distancing and working with Unite health and safety reps on risk assessments.

90% of reps claimed that Covid-related changes had come about through negotiation with the union. This is a testament to the importance of strong collective bargaining agreements and the role of reps in negotiating changes in members’ interests. 13% of reps also believed that their relationship with their employer had actually improved during the pandemic, largely due to the positive role of Unite health and safety reps and the need for cooperation between the union and the employer in a time of crisis.

The emergence of employer opportunism:

Despite this cooperation some reps were left under no illusions that some of the positive changes made by their employers have been entirely out of self-interest. A recurring theme from reps was that while employers had gone to great effort and expense to keep their workplace running whilst maintaining social distancing, this was simply to prevent disruption to production and in some cases to achieve a competitive edge over others in the sector who had furloughed workers. A number of reps believe that this will lead to a backlash when the pandemic is over.

“The manager did everything possible to keep the factory open from a [health and safety] point of view… The reason he did all of this was because he didn’t want any member of staff to be put on furlough, regardless of their personal circumstances. This drove a wedge between white and blue collar workers. Thankfully the Unite national Covid agreement – which stated that any worker that had a letter from the NHS or mitigating circumstances would be allowed to furlough - superseded what he wanted to do. However, anyone outside of these parameters went on sick leave. If the worker had no leave they could borrow money off of the company which has to be paid back by Christmas. Without the Unite agreement industrial action would’ve taken place.”

Unite Workplace Rep, GPM&IT Sector, Northern Ireland

17 From Crisis to Change: Coming out of COVID-19, Unite Research Department (2020) URL
In fact, as the interview stage of the project has progressed, more instances of employer opportunism have been reported. During the first phase of interviews – carried out between June and August 2020 – instances of employer opportunism were low as the first UK lockdown ended and more Unite members returned to work. However, in the second phase of interviews – September to November – more examples of employer opportunism began to emerge.

An example of this trend can be seen in the response of one rep from a major port:

“At the start of lockdown, the company were responsible with regards to only carrying out necessary work, shielding people etc. However, this has started to change, and the company is looking to recover substantial financial losses by making work more flexible. I think the company are using the pandemic to try and start pushing through things they wouldn’t have tried before… So, now they seem to be stepping up… I wouldn’t say attacks but stepping up changes within the port for us to work more flexibly”.

This was a view reflected from reps in several manufacturing companies which have since sought to use the pandemic as cover for outsourcing and attacks on pensions.

Though relations between reps and their employer have generally been good during the pandemic, 20% of those interviewed reported that they felt that their employer had done the bare minimum to keep their members safe. Notably, three of the reps who reported this also claimed that the changes the employer made were imposed and not negotiated with the union. These three reps all reported that their main grievance ultimately stemmed from their employer trying to avoid putting workers on furlough or cutting corners with health and safety measures.

In the case of one major bus and coach building company in the Automotive sector all of these issues apply. Manufacturing sites were kept open throughout the first UK lockdown. When the majority of workers went on furlough at the end of March 2020, the company put pressure on workers to come back into work to complete orders. Once workers were furloughed Unite had no reps on site and communication from the company was minimal. When limited production was announced in June and furloughed workers started returning to work, management had reportedly done the bare minimum in terms of implementing social distancing measures and sourcing PPE. Only the intervention of the Unite reps eventually ensured that some changes were made. These issues can all be placed into the wider context of the same company using Covid-19 as cover for restructuring plans put in place before the pandemic.

The particularly precarious sector of road transport and logistics provides another example of employer opportunism. In the case of one road haulage rep:

“The company tried to capitalise on the ambiguous messages coming from central government to get away with doing the bare minimum. At one point they were even trying to get the drivers to essentially pay for their own furlough by banking hours. We had a press release ready to expose it and the company backed down at the eleventh hour. Unfortunately, we had to rely on propaganda as our leverage was lost through not being in the workplace. The company has also tried to stop furloughed reps from doing any union work, but we’ve managed to overcome that.

Legally they’ve done what they had to, but morally they fall down all the time. You know what sort of company they are. But even legally we challenged them on a few
things. For example, they’ve been using some sub-contractors in some parts of the business whilst having people on furlough, so we challenged them on the ethics of that”.

The critical role of union density

These examples highlight the importance of strong union density in the workplace and a willingness to take action. What the examples have in common is that the workplace or sector has significantly lower union density than other sites which reported no examples of employer opportunism.

It is notable that half of the reps interviewed for this project reported a union density of 90% or higher. This undoubtedly played a key role in the union directly informing their employers’ actions around health and safety, any furlough arrangements and the company’s approach to the pandemic in general.

This highlights that the best way to resist employer opportunism is through high union density which not only offers opportunities for leverage but also increases the risk factor for employers that might consider attacking workers’ jobs, pay, and terms and conditions in the context of Covid - or trade – disruption.

While high union density and strong collective bargaining agreements are vital tools for reps, they cannot be taken for granted. Unite reps will always have to fight to maintain and improve both. One way to do this is for Unite reps to consider density beyond the immediate workplace and across the supply chain. This would mean identifying and proactively using positions of organisational strength for the benefit of all workers within the chain.

Digital connections:

60% of the reps interviewed were put either on furlough, worked from home or ‘shielded,’ during the Covid-19 pandemic. All of this 60% were forced to resort to digital tools to contact members, other reps and to meet with the employer.

Using these tools could be vital for building connections between reps across supply chains where facts of geography could make face to face meetings difficult or rare. 67% of relevant reps reported a positive experience of using these tools while 33% reported it as bad.

“Found it strange, but no major negatives. In fact, having branch meetings by Zoom has increased attendance massively (100+) when we previously struggled to be quorate so may consider using Zoom more often after Covid.”

Unite Workplace Rep, Aerospace Sector, South West

“Communicating with the branch has obviously got harder. We’re still able to hold reps’ committees on site and then get reps to deliver messages for members on site. 60% of branch have joined a Facebook group.”

Unite Workplace Rep, CPPT Sector, North West

“Zoom allows you to stick to an agenda and not get distracted from it but it doesn’t allow you to have the important discussions that take place outside of the agenda, which is a big loss. Benefits don’t outweigh the importance of face-to-face conversations. You can also end up having meetings all day.”

Unite Workplace Rep, CPPT Sector, North East
While reps reported that Zoom and WhatsApp were useful for sustaining communication with members and the union, the main negatives were interactions with the employers. Meetings with management were made more difficult without the ability to “pick up nuance and body language”, while others found the format “inappropriate” for giving representation to members.

Importantly for this strategy, Zoom and WhatsApp offered reps more opportunities to talk to each other informally; however they lessened informal links with management. Some employers exploited the reps’ home working and individual managers were now harder to chase or “accidentally” bump in to.

Supply chain disruption: Covid, Brexit and trade

In March 2020 global supply networks were broken when faced with their first global crisis in thirty years. In the UK, the disruption threatened by Brexit over years was realised by Covid-19 in weeks as waves of global production stoppages between March and May 2020 severed supply chains.

In the automotive industry, workers in final assembly plants were not furloughed due to the health crisis directly, but because the Just in Time supply of parts was severed. Similarly, the grounding of civil aviation fleets meant order books dried up for the aerospace industry and that disruption echoed down the supply chains to metal and oil refinery workers.

To take one example from this research, the aerospace industry has 3.9 times as many suppliers than the manufacturing industry median. Airbus has one of the most complex supply chains of any multinational, with 1,676 publicly disclosed ‘tier 1’ suppliers, but as many as 12,000+ suppliers down the chain. In the UK the impact of Covid disruption not only impacted Airbus sites at Broughton and Filton, but echoed down the UK-EU supply chain to the aluminium foundry workers in Devon. When interviewed the Unite site convenor estimated up to 30% of the site’s order book had collapsed, leaving them dependent on the oil and gas turbine orders.

Across the UK economy, exports and imports fell by £47.7 billion and £42.6 billion in the three months to May 2020. The ONS reports that the services sector and manufacture of machinery and transport equipment, particularly road vehicles, were most impacted. The ONS also found that 73.5% of exporting businesses were exporting less than normal and 60.4% of importing businesses reported that they were importing less than normal.

When asked whether they believed that the pandemic had raised any issues or threats for their workplace that could be replicated by changes in the UK’s trade relations, 20% of reps interviewed for this report mentioned fragility of supply chains while 30% cited issues surrounding a decrease in demand.

Relatedly, supply chain specialists such as the consultants McKinsey are forecasting longer term Brexit uncertainty beyond 2021. This is based on the precedents of Switzerland’s negotiations with the EU having continued for more than a decade, from 1992 to 2004, and resulting in about 20 separate treaties, and Canada’s Comprehensive Economic and Trade

---

18 Risk, resilience, and rebalancing in global value chains, McKinsey, August 2020, URL
19 Analysis based on 668 out of 1,371 companies in MSCI index (URL)
20 Office for National Statistics, UK trade: May 2020 (14 July 2020), p 2; URL
21 Office for National Statistics, UK trade: May 2020 (14 July 2020), p 4 URL
Agreement with the EU, where negotiations began in 2009 and were concluded only in 2014.

“Even if a firm decision is taken on Brexit in the next few months, uncertainty about the UK’s trade regime could persist for a decade or more.”

McKinsey, May 2019

Even before Covid proved it irrefutably, the shocks of Donald Trump’s trade wars, the Brexit referendum’, and more isolated events like the 2011 earthquake and tsunami in Japan, had exposed the risks posed to multinational supply chains. In response an entirely new consulting industry – supply chain risk management (SCRM) led by McKinsey, PwC and Hitachi Solutions now offer risk analysis, resilience tests and mitigation strategies.

McKinsey now predict a disruptive event – from cybercrime to an environmental disaster – with a resulting supply chain disruption of between 1 to 2 months will take place every 3.7 years.23 Calculating potential losses across all industries, the report forecasts this level of disruption to cost 42% of one year’s EBITDA (Earnings before interest, taxes, and amortization) over the course of a decade. The cost is higher for the most exposed sectors of commercial aerospace (66%) and automotive (56%).

**Strategies to recalibrate: what are employers doing?**
Reps interviewed for this project reported several examples of longer-term strategies employers are starting to adopt as they reorganise following the disruption. This includes taking steps to make their supply chains ‘more resilient’, including building ‘duel sourcing’ of supply, nearshoring, reducing the number of unique parts, and regionalising their supply chains.24

**Taking control of the supply chain:**
Two major multinationals have invested heavily in new warehousing, either directly or through their contracted Third Party Logistics firms. In the case of a major base metals company, that includes re-purchasing a bulk terminal and the £65 million investment which goes with it.

**Competition and relocation:**
In the automotive sector site, reps reported that the threat of Brexit had raised existential concerns about the ability of their sites to import components or export finished vehicles to Europe. Covid had then presented a timely opportunity for both multinationals to launch corporate restructures to respond to these wider company issues.

In the case of one major automotive exporter, this meant announcing plans to reduce global capacity by a million units. This has already resulted in one plant closure, with plans to make remaining sites compete for future work in 2021. Significantly for this study, the ‘rival’ site is seen as less vulnerable because 60% of its supply chain is within the same country and therefore less at risk of disruption.

**Vertical integration:**
The sharing of platforms within car plants make transfer of work between ‘rival’ plants a very straightforward exercise for employers and this has been a central way for capital to use trade to achieve a strategic advantage against labour. However, as McKinsey warned, in other industries it is too costly to relocate quickly in anticipation of disruption. The chemical

---

24 Could climate change become the weak link in your supply chain?, McKinsey Global Institute, August 2020.
and pharmaceutical industry is given as an example of a capital intensive industry and this is echoed by this research.

One large CPPT sector chemical company has pursued a strategy of vertical integration over the last ten years due to weak global growth after the 2008 economic crisis, prolonged contraction of the raw material market and the ongoing US-China trade war and Brexit. The Unite rep reported that the company had since discovered that 80% of their raw material supply chain originated from one supply chain site. Rather than risk disruption the company adopted a strategy of vertical integration and is currently in the process of purchasing the plant through a buy-out.

**Flexibility of supply:**
These strategies show, as Sam Roscoe of the UK Trade Policy Observatory has argued, that UK companies are currently prioritising 'resilience and responsiveness' over 'cost and efficiency'.

"The combined uncertainty of Brexit and Covid-19 mean that companies can no longer ‘wait-and-see’. Today’s uncertain world necessitates new supply chain models that prioritise resilience and responsiveness over low-cost, centralised production."25

Roscoe argues this could lead to companies reshoring their supply chains or pivoting to dual or multiple sourcing agreements for critical raw materials and components. The aim would be to build flexibility into a currently rigid system to mitigate against future disruption.

There is some evidence of this from the interviewed manufacturing and ports reps, who described companies adopting flexibility when deciding which ports to use for importing components.

Similarly, the example was given from a large employer in the Food, Drink and Agriculture sector. The company has a strategy of sourcing 90% of packaging from one company and 10% from a rival, with the ability of pivoting if the majority supplier is disrupted. Interestingly, this strategy was first identified by the Unite convenor in the majority 90% supplier. The convenor in the minority ‘backup’ supplier believed that in the event of disruption to their site, others within the multinational would be used to play the same back-up role.

Taken together, these examples show just some of the strategies employers are currently adopting to understand and address their structural weaknesses. From cost cutting to ‘flexibility of supply’ these strategies are overwhelmingly at workers’ expense. This necessitates developing our strategies to understand how these weaknesses offer opportunities.

**Piecing together what has been broken:**
One irony of the Supply Risk Management business is that it tasks consultants such as McKinsey with the role of mapping complex supply chains to find weaknesses. McKinsey trumpeted the so-called ‘Toyota’ model in 199326, but now finds that thirty years of fragmented production and ever more diffuse supply chains have made it very difficult to turn the clock back.

"Supply-base transparency is hard or impossible to achieve. In modern multi-tier supply chains, hundreds or thousands of suppliers may contribute to a single

---

product. Even identifying the full set of suppliers from the raw-material sources to a final assembled system can require a significant time investment.” 27

The SCRM consultants are not alone in their work. American union organiser and academic Kim Moody argues for the inversion of this idea, turning the weakness of the employer into an opportunity for trade unions:

“Seen this way, the supply chain is in fact one long assembly line. These chains can be broken. Along with their interconnectivity, their very time bound tension makes them extremely vulnerable to worker action.” 28

This paper proposes that workplace reps and shop stewards should consider how their individual site or company fits into its larger network – be that a supply chain or a fragmented process of manufacturing, transport or servicing. Identifying and working with other Unite reps towards a strategy of ‘supply chain solidarity’ can not only help identify vulnerabilities but present opportunities and mutual practical benefits for reps through the chain.

**Vulnerabilities and threats: power within supply chains**

A priority when mapping the supply chain for opportunities as well as threats is to identify which workers in any given supply, production or service process have potential power within the structure. That is, workers who occupy strategic positions within a company, industry or even the entire economy who have disproportionate potential collective power.

This has been a truth known to the UK trade union movement since its inception, from the ‘New Unionism’ movement from which the dockworkers of the T&G emerged29, to the engineering shop stewards movement in the tradition of Amicus.30

Importantly, these positions are never permanent or fixed. They change as industries adapt, either due to disruptions such as automation or trade, or when employers proactively adopt strategies to overcome those weaknesses. The latter is often through an offensive against the workers in those positions. In the UK, the Miners’ Strike and the Wapping Dispute of the 1980s may be considered the most (in)famous examples of the employer and government recognising a group of workers’ structural power and aggressively moving against it.

“Class conflicts and new technology preclude any strategic position from becoming permanent. Consider the fate of the industrial tool and die makers who were among the most strategic workers in the auto manufacturing process. Today computer aided design has deskilled that craft and made that work far less strategic. But every new position or node that emerges from new technology brings with it a new group of skilled workers and vulnerable power points.” 31

This continually shifting terrain is crucial for how this principle links to the issues of trade and supply chains. As has been seen, both are already moving employers to search for and address their sudden weaknesses. In doing so, structural points change and new ones are created. They simply need to be found.

27 A practical approach to supply chain risk management, McKinsey, March 2019, [URL](#)
28 Kim Moody, On New Terrain, 2018
29 The History of the T&G, Unite the Union, [URL](#)
31 Peter Olney, Choke Point: Logistics Workers Disrupting the Global Supply Chain, Pluto Books 2018.
**Tide and time: who has structural power?**

It is no coincidence that the research in this field from the United States is so closely associated with the dock workers of the West Coast or the trade unions fighting to organise Third Party Logistics companies and Amazon. Traditionally workers found themselves in a position of structural power because of their position in the economic system (such as a major gateway port), their position in the labour market (highly skilled workers who cannot be easily replaced) or the nature of the labour process (such as time-critical Just in Time or perishable delivery.)

This developed following the expansion of trade from the 1980s, which created the model of supply chains discussed in this paper. This is especially true for Just in Time supply where components must be delivered within vanishingly small ‘time windows’ and in the correct order. This means that **time as well as position are both vital for assessing structural power.**

This has only become more significant following the rise of e-commerce. While outside of this research, Amazon is the exemplar of this process. Once an online bookseller, Amazon’s true commodity is time with the promise of ‘24 hour free shipping’, driven by its position as one of the largest logistics companies in the world.\(^{32}\) This extreme version of Just in Time supply is the basis for the company’s competitive edge and market dominance, but it is also a fundamental weakness if workers are able to leverage their position.

As has been shown, employers and their consultants proactively work to find these vulnerabilities, and this includes preventing workers with structural power from organising into a union.

**Identifying vulnerabilities and chokepoints:**

Identifying chokepoints within supply chains, the links between a workplace and even within workplaces has become the preoccupation of Supply Chain Risk Management consultants\(^ {33}\) and trade union strategists both. The interviews and the research literature identifies two types of chokepoints: those which are unavoidably ‘built in’ to industrial sectors and those which are ‘intentionally’ parts of corporate strategies in their drive to lean working, efficiencies and cost cutting.

<table>
<thead>
<tr>
<th>Vulnerability</th>
<th>Unite sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industries moving perishable and extremely time sensitive goods</td>
<td>Food, Drink &amp; Agriculture</td>
</tr>
<tr>
<td>Industries with unpredictable or seasonal spikes in demand</td>
<td>Ports; Food, Drink &amp; Agriculture; RTCW&amp;L</td>
</tr>
<tr>
<td>Employers reliant on fixed, concentrated logistics infrastructure such as transport hubs, central distribution centres</td>
<td>RTCW&amp;L, Docks, Food, Drink &amp; Agriculture, and Manufacturing</td>
</tr>
<tr>
<td>Industries with geographically concentrated suppliers due to access to materials or skills</td>
<td>CPPT, Food, Drink &amp; Agriculture, Automotive; GPM&amp;IT</td>
</tr>
</tbody>
</table>


\(^{33}\) McKinsey, Risk, Resilience and Rebalancing in Global Supply Chains, August 2020 [URL](#)
‘Intentional’ vulnerabilities (resulting from corporate strategies)

<table>
<thead>
<tr>
<th>Vulnerability</th>
<th>Unite sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industries which use Just in Time supply strategies and carry minimal inventory with constant demand</td>
<td>Automotive</td>
</tr>
<tr>
<td>Employers with large amounts of debt, insurance and other financial obligations</td>
<td>Manufacturing</td>
</tr>
<tr>
<td>Capital intensive industries or employers with large ‘sunk costs’ investments (i.e. infrastructure which cannot be relocated)</td>
<td>Metals, Ports, RTCW&amp;L, CPPT</td>
</tr>
<tr>
<td>Complex supply chains, which mask vulnerabilities</td>
<td>Manufacturing, RTCW&amp;L, Docks, Food, Drink &amp; Agriculture</td>
</tr>
<tr>
<td>Concentrated supply chains with the absence of substitute suppliers</td>
<td>Metals</td>
</tr>
</tbody>
</table>

A proposal of this paper is to support reps to map supply chains, identify connections with other Unite members and then identify such chokepoints. This allows reps to better assess new vulnerabilities and threats, but also the opportunity to gain greater potential industrial leverage throughout the supply chain.

**Building supply chain solidarity**

By understanding supply chains to be the broken up stages of one process it is possible to identify critical stages within it. This section considers the existing connections between reps and the organisational model which best allows reps to develop solidarity and coordinate beyond the immediate workplace.

**Existing connections**

The research interviews sought to understand the strength of existing links between reps, particularly within supply chains but also at the national and international levels within companies and at ‘competing’ sites.

Within the UK, formal and informal links between reps within the same company were very strong. 93% of interviewees have established connections through the union’s formal structures such as EWCs, RISCs, NISCs or Combines. 90% had then developed this further, maintaining informal links like WhatsApp groups at their own initiative.

Internationally, 50% of reps had formal links through European Works Councils while 37% have developed separate or additional informal links, including bodies such as the International Dockworkers Council (IDC). Many reps noted the importance of these links with respect to building international solidarity.

However, when it comes to reps’ links with competing sites or parts of their supply chain major gaps start to appear. Perhaps most concerning, out of the 43% of reps who could feasibly face competition from a rival site (or sites), 38% had no links at all. This increases the potential for competing sites within the same company to be played off against each other. Unite will make every effort to support establishing such links. These gaps are exactly the sort of problem that the strategy outlined in this report could begin to address at scale.

When it comes to reps’ links with parts of their supply chain the statistics show that many reps recognised its importance prior to this research. Some reps, particularly in the CPPT, GPM&IT and Food, Drink and Agriculture sectors had already begun this process.
Reps who had been involved in the ITF (International Transport Workers’ Federation) Hubs Programme had also undertaken some supply chain mapping work as part of that project. The Humberside Hubs project was seen as the most successful version of this model, having been relaunched by several of the reps interviewed in this study. 50% of reps interviewed identified links with their supply chain – 7% formal (through EWCs) and 43% informal. However, whilst some reps did have a clear picture of their supply chain none had links with every part.

In some cases this was because elements of the supply chain were poorly organised or without union recognition altogether. However, in other cases, the rep identified Unite’s structures and the lack of cross-sector work as a major obstacle and were supportive of the idea of developing new formal and informal methods to overcome it.

“I think because of all the takeovers, divestments etc we’ve been siloed. So, we’ve got so involved in the company’s business that we’ve forgot about our brothers and sisters elsewhere. All the HR people get together, all the management get together and talk, but we don’t. I had to travel all the way to Brighton to meet a guy at a NISC meeting when he works 20 minutes away from me! But now we are talking on a regular basis. But it needs its own budget and energy behind it”.

Unite Workplace Rep, CPPT Sector, North East

“What would be beneficial is if you didn’t just have your NISCs, you have something that brought all those sectors together that had some sort of impact on each other at national level. Even if it’s just once or twice a year, it’s better than nothing. And that in itself would then allow you to create a strategy around that because you all know what each other are doing, you’re all reliant on each other and it helps to avoid this tactic that they use of playing us off against each other. Everybody’s up to speed with what we’re all doing. I think it’s absolutely mad that we don’t do it.”

Unite Workplace Rep, Automotive Sector, London & Eastern

The interviews showed that reps recognise the collective power of the union rests in membership density and the potential for this to be defended, extended and amplified through supply chains. Research support, such as supply chain mapping and identifying connections with other groups of Unite members and reps can address an obvious industrial need.

Building and sustaining connections:
The research literature describes the ability to develop and sustain the sorts of initiatives which cross workplaces, sectors or international borders as being reliant on “the ability to compel others to do something they otherwise would not do… to behave as a collective actor.”

This is known as ‘associational power’ and at the workplace level a union’s membership density is the most straightforward measure of this power. Higher density means (often literally) recognition from employers. This power is developed further when reps exercise it and advance common goals. Density is not the only measure of this power, especially for outside of the immediate workplace such as the wider supply chain.

---

Other factors which would determine the strength and sustainability of any group founded to organise a supply chain include:

<table>
<thead>
<tr>
<th>Factor</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructural resources</td>
<td>Branch funds, the allocation of full time convenors or support staff, the use of trade union or employer facilities.</td>
</tr>
<tr>
<td>Organisational efficiency</td>
<td>The ability of those within the organisation (the committee, but also leading individuals, the union's official departments) to divide up work and responsibilities, to act efficiently and to be organisationally flexible where required.</td>
</tr>
<tr>
<td>Workplace rep participation</td>
<td>Most important is for lay reps to play the leading role. The ability to find the balance between reps taking on all the work, which is not sustainable, versus the role of full time staff.</td>
</tr>
<tr>
<td>Internal cohesion</td>
<td>The ability to form a shared collective identity. Social networks, shared daily experiences, common adversity a shared industrial goal is another. This must be strong enough to translate into joint action.</td>
</tr>
</tbody>
</table>

The research interviews suggested a number of different forms such coordination could take, from branch-to-branch collaboration between two directly connected workplaces to broader committees of reps brought together from an entire Unite-organised supply chain.

The following points were taken from two initial meetings of these bodies which resulted from the research interviews:

**Keeping connected:**
The majority of reps said that nothing can replace face to face meetings, but as the majority (67%) now use digital tools like Zoom it is physically far easier to arrange for meetings across supply chains. Reps suggested setting up Supply Chain WhatsApp groups to keep the conversation going and to stay connected, rather than relying on only formal meetings. Others suggested that regular meetings of an organising committee could be added to with an annual conference of the supply chain, and inter-site visits when Covid restrictions are lifted.

**Focus on the practical benefits:**
The priority is to establish the points of connection between different groups of Unite members within the chain. Where can coordinating have the biggest impact? Practical benefits to doing this include:

**Sharing industrial data to raise standards:**
This can include identifying the centre of the supply chain, such as a car plant or a major port, whose activity controls the rest of the chain. Can information be gathered on forecasts for demand and volumes? Similarly, can terms and conditions be mapped along the chain, which companies are the best and worst for pay, and terms and conditions? This information can be gathered by individual reps within the chain for the organising committee. Could it be turned into a regular bulletin?

**Opportunities for mutual organising, recruitment and mutual support for branches:**
This includes recruitment coordinated between branches, signposting the relevant contacts rather than the branches operating completely separately.

Two powerful examples from the interviews include one ‘over the threshold’ agreement, which allows the rep within a site to represent and organise any Unite member who enters the premises (i.e. drivers and logistics workers). Similarly, if there is a critical un-unionised site owned by the employer (i.e. a warehouse or distribution centre), can the reps use pay talks or similar negotiations to demand and win access for other Unite reps in the chain?

Coordinating collective bargaining:
Information sharing is a vital part of supply chain solidarity and a step towards greater coordination. This can include:

- Establishing the ‘rate for the job’ for grades within the supply chain?
- Opportunities for coordinating collective bargaining?35
- Identifying ‘chokepoints’ within the supply chain and can you pose a ‘credible threat’ to the employer?

Developing new and young reps:
One possible benefit identified by reps is that to avoid all of the workload falling onto the shoulders of convenors and senior reps, developing this work could be shared with younger reps. This shares the workload while also becoming a process of industrial education and development for the next generation of reps and convenors.

**Power analysis: the views of Unite workplace reps**

How do these ideas apply to the Unite reps’ interviews for this research? One section of the research interviews was dedicated to analysing the strength of the union at company level and the potential for strategic inter-union links and leverage to be built as a means of forming the basis of a collective bargaining approach to trade. Another section of the interview dealt with potential trade threats, establishing the structural obstacles facing reps from both wider economic trends and the employer.

This approach is rooted in the concept of power-structure analysis developed by Jane McAlevey.

> “The chief way to help ordinary people go from object to subject is to teach them about their potential power by involving them as central actors in the process of developing the power-structure analysis in their own campaigns – so they come to better understand the root of their own power and that of their opponents.”36

The interviews show reps understand their own power and how it can be used through two vital metrics: membership and opportunities to leverage it. As the section on how employers have responded to Covid-19 demonstrates, higher union density correlates closely with better employer relations, collective bargaining agreements and, most importantly, pay, rights, and terms and conditions.

High union density also gives the employer fewer opportunities to undermine the union directly as there are fewer ways in which workers can be pitted against each other. Crucially, given the increasingly draconian nature of the anti-union legislation and rules around support

---

35 See Unite’s Broad Industrial Strategy, [URL](#)
for industrial action, high union density also increases the 'credible threat' to the employer of a decisive vote for legal industrial action.

Some reps spoke of not having had an industrial dispute for decades due to, in their view, the employer’s knowledge of the union’s high density and the union’s previous use of that preventing the employer from moving against the union. This represents a clear example of union density being used to leverage a credible, but latent, threat.

“Opportunities always exist if you have good union density. We have an excellent record of fighting the company because of our strength which has taught the company to tread carefully. It’s something that myself and the branch have built up over the last 30 years in the context of huge restructuring in the UK paper industry”.

Unite Workplace Rep, GPM&IT Sector, North West

However, whilst high union density is a vital resource for reps, it is a source of latent industrial power which requires proactive maintenance as the impact of trade and employer strategies such as the stratification and fragmentation of work, and the incitement of competition between sites, seeks to undermine this power.

Within their individual workplaces a number of reps spoke of maintaining their density by having access to new workers at inductions written into their collective agreements.

The question here is how understanding structural power and associational power offer new strategies to defend, enhance or utilise that power beyond the immediate workplace.

High density and structural power, i.e. potential power which derives from workers’ position of strategic importance to the economy, can go hand in hand. This is exemplified by interviews with reps in the docks sector where members are concentrated into one site or hold skilled positions or occupy time critical parts of the working process.

An example of latent structural power which is not being utilised is the link between drivers of the RTCW&L sector and other sectors they come into contact with. In all supply chains, but particularly those reliant on the Just in Time model, road haulage drivers occupy positions of significant structural power. However, even when the union has significant density within an individual company, depot or contract, the significance of this latent power is lost if the supplier and the supplied are not in contact – especially when they are in the same union. This underlines the importance of associational power, the strength of the connections between workers and their ability to identify and act as ‘a collective actor’.

In the interviews for this report 53%37 of reps in manufacturing and other sections which would have at least one major RTCW&L connection could name the road haulage company linked to their site. Only 16% had any kind of link with a either a Unite rep or a member. This represents a major gap that the strategy of supply chain solidarity could begin to address.

**Leveraging power though ‘supply chain solidarity’:**

When asked whether they believed that opportunities for strategic leverage existed at their workplace, 70% of reps interviewed answered ‘yes’ while 20% were unsure. Of those who saw opportunities 68% of responses attributed these opportunities to their members’ structural power, 24% to their union density and 10% to both. This presents a very solid basis for reps to develop their own structure-power analysis with the right support.

---

37 When excluding sectors where this does not apply, i.e. Education.
Importantly, reps from five Unite sectors – CPPT, GPM&IT, FDA, Docks and Automotive – believed their potential leverage would be increased dramatically by developing links with the road hauliers who are a vital part of their supply chain.

“We’re only as good as our links going in and out. So, we need to get together with the transport companies. If we can’t keep things moving, we won’t keep producing. It’s never a direct threat – ‘we’ll grind things to a halt’ – it’s almost like a show of strength, a show of unity. That’s how I see it working – we’re all together, we’re all working as one. I get that we’re different companies, but the management and HR all work together and so should we. So, we need to get together, we need a collective voice, and when we go to the table we go there collectively”.

Unite Workplace Rep, CPPT Sector, North East

Taking this further, when the reps interviewed were asked whether they believed opportunities for strategic leverage existed within their supply chain, 47% answered ‘yes’ and 47% were unsure. Of the second category, responses showed support for the concept of and potential of ‘supply chain solidarity’, but without having enough knowledge of or links with their supply chain to give a definitive answer.

This clearly highlights the importance of mapping and building links within supply chains and between industrial sectors as a basis of building industrial power, predominantly through structural and associational power but also, relatedly, by marshalling union density between parts of the chain. The latter in particular can be increased through the most unionised parts of the chain using their position to support less organised workplaces. A great example of this can be taken from reps in Unite two sectors, CPPT and GPM&IT, who use their high density to have either a formal or informal agreement to represent and support any worker that comes onto their site, even if they are not employed by the same company or within their immediate bargaining unit.

“The leverage was the thing that scared the companies first. The leverage that everything that comes in and goes out again is driven by one of our union members…I speak regularly with the reps at a neighbouring site. If you think that I could make a phone call and say to their rep, ‘you know what, our lot are being real swines here and it would really be appreciated if you could have an extra 20 minute break maybe’ is outstanding when you think about it”.

Unite Workplace Rep, CPPT Sector, North East

When discussing examples of this some reps were concerned that one group could try and ‘outsource their dispute’ to another. Others who had successfully attempted to build links had overcome this concern by building up trust and a common approach over time.

“The dockworkers were of the opinion that all the action would be left to them because they move everything and we were like ‘that’s not how it works’. It’s called leverage, when you’re organised and you’re talking to each other it’s sometimes enough for a company to go ‘ooh, look at the strength of that lot over there’. So, there’s a lot of work to do. I’m up for the challenge. We’ve got what we think is a very strong RISC, but there’s a lot more work to do”.

Unite Workplace Rep, CPPT Sector, North East
Unite’s programme for international trade:
A contribution from the Unite International Department

While developing a shop floor approach to its impact it is also vital that Unite engages with the issue of trade policy and politics.

As the UK develops its first trade agenda since 1973 it is important that Unite is engaged in the public debate at a policy level so that our collective voice can hold the Government to account and ensure that the implications of new trade deals are exposed and understood.

To do this it is important that as Unite we have our own vision of how international trade should be carried out, so that we can play a positive role in shaping the debate on trade that moves away from the false dichotomy of unfettered free trade versus Trump style protectionism.

Unite has proposed a series of principles focusing on key areas of new Free Trade Agreements which are outlined below and developed further in an additional paper.

- Trade must be based on international solidarity between workers in different industries, countries, and trade unions.
- Commit to a policy of refusing to allow workers in different industrial sectors or countries to be pitted against each other.
- Support and develop a collective bargaining agenda which meets the industrial impact of these trade deals head on. This should include industry-wide and sector-level bargaining.
- Support an alternative UK trade policy which is democratic, transparent, and inclusive, opposed to both protectionism and neo-liberal ‘free’ trade. This should:
  - Include binding and enforceable labour rights with reliable responsive and effective participatory mechanisms, and strong transparent institutional structures.
  - Exclude public services from all legally binding commitments under trade agreements and inclusion in investment chapters.
  - Defend the right to regulate in terms of industrial policy, digital trade, intellectual property rights and public procurement.
  - Protect industries, sectors or regions who may face threats from trade. (i.e trade defences and safeguards to prevent dumping).
  - Exclude closed corporate courts and ensure the ability of trade unions to take up trade disputes or legal challenges must be open to trade unions and civil society. The formal ‘dispute mechanism’ for such cases must be open and transparent.

---

38 This is an extract from the full paper A Unite Vision of Trade from the Unite International Department.
Big in Japan: the UK’s first Free Trade Agreement

In the majority of interviews reps’ views on trade were either on Brexit and the UK-EU deal which was negotiated during the research or the act of trade such as the importance of export markets or the vulnerability of supply chains. The UK’s trade deal with Japan was concluded during the research and it provides some examples for considering the industrial impact of future agreements.

The UK-Japan Comprehensive Economic Partnership Agreement (CEPA) is the first ‘independent trade deal’[39] to be negotiated and signed since the UK left the European Union in January 2020. As it ‘rolled over’ much of the EU-Japan agreement, its importance is predominantly political and it is reliant on the far larger UK-EU deal. The Government’s own impact assessment forecasts the deal may increase UK annual GDP by 0.07% ‘in the long run’[40].

No role for workers, little role for politicians

One issue clarified by the CEPA deal is the absence of democratic participation or oversight. This has been minimal for MPs and non-existent for trade unions, a fact extremely unlikely to change in the current political context. The process of ‘scrutiny’ demonstrated by this deal is based on the Ponsonby Rule of 1924, giving MPs access to the negotiated text for a 21 day period. There is no commitment to a vote and if there was a vote there is no mechanism to amend the agreed text. This differs to the situation in the US where unions, including Unite’s sister union the United Steel Workers (USW), do have access to the text during the negotiations. This demonstrate an additional value of internationality solidarity between unions.

Industrial impact: Automotive and Food, Drink & Agriculture:

The UK will introduce a new ‘Global Tariff’ charter on January 2021, but in this instance most of the UK tariff reductions already planned under the EU-Japan deal are continuing. (This includes auto tariff reductions by 2026.) One exemption is the reduction of a tariff on ‘electric control panels’ which are imported by automotive employers from Japan. From the Japanese side, tariffs are reduced on UK imports of beef, pork and salmon.

The deal also allows for Japanese, UK and EU automotive components to be added together to meet the ‘Rules of Origin’ threshold which would see them covered by this deal. However, this ‘diagonal accumulation’ remains reliant on it being accepted in the UK-EU talks. This issue will grow in importance if the transition to Electric Vehicles means UK-based plants are reliant on imported batteries from Japan and Korea.

Outside of automotive, Rule of Origin changes now allow for the components or ingredients of some UK goods, including pet foods, confectionery, baked goods and textiles, to be considered ‘UK’ when exported to Japan if they are sourced from the EU.

“This will enable UK producers of these goods to diversify their supply chains, although it seems the scale of economic benefit involved is likely to be limited. It may also potentially present risks to UK suppliers of intermediate goods, which could lose out to overseas suppliers benefiting from these more liberal rules of origin.”[41]

Employers for whom Japan is a key export market may now have increased market access, but can ‘diversify’ their supply chain out of the UK and still be covered by the deal. Similarly, the deal impacts some specific points within the automotive supply chain, sets a countdown

---

[41] Ibid.
to 2024 and 2026 for further tariff reductions, and will be a factor in the industries transition to Electric Vehicles. Discovering how these, and similar changes in far larger trade deals, play out at the workplace level and within supply chains is the basis for a collective bargaining strategy for trade.

**Employer lobbying: Honda**

In the automotive sector the large Japanese employers of Toyota, Nissan and Honda have coordinated their lobbying of the UK and Japanese governments. The publication of Honda’s demands and their assessments of the deal\(^{42}\) provide an insight into how employers view these deals. All three employers are concerned about any tariffs or ‘frictions’ to the supply chains and sought reimbursement for any tariffs. The case of Honda calling for the acceleration of tariff reductions on cars is particularly egregious as this is motivated by Honda’s desire to exit the UK, cut 2,300 jobs by ending vehicle production but still secure market access.

<table>
<thead>
<tr>
<th>Honda request</th>
<th>FTA text</th>
<th>Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>No gap between the end of the Brexit transition period and the coming into force of a UK-Japan agreement</strong></td>
<td>The agreement is set to come into force on 1 January 2020.</td>
<td>Outcome aligned with Honda request, although some risk is associated with ratification process.</td>
</tr>
<tr>
<td><strong>A more ambitious timetable for liberalising tariffs on all complete vehicles, power products, motorcycles and parts than foreseen in the EU-Japan EPA</strong></td>
<td>The tariff liberalisation for cars and motorcycles mirrors the provisions of the EU-Japan agreement.</td>
<td>The reduction table is not more ambitious than the EU-Japan agreement. However, the tariff reduction timetable is aligned with the EU-Japan schedule, ensuring that no tariff differential applies between imports to the EU and UK.</td>
</tr>
<tr>
<td><strong>The immediate elimination of tariffs on Low Emissions Vehicles</strong></td>
<td>There is no differentiation between low emissions and conventional vehicles</td>
<td>An opportunity has been missed to support the provision of an increased number of affordable electrified vehicles to UK consumers.</td>
</tr>
<tr>
<td><strong>Less restrictive rules of origin than in the EU-Japan EPA</strong></td>
<td>The UK-Japan CEPA mirrors the EPA’s product-specific rules of origin for key automotive inputs of production, as well as for finished vehicles.</td>
<td>Honda had hoped for less restrictive rules of origin to take account of the global nature of our supply chain. Replication of the arrangements of the EU agreement avoids imposing additional complexity to our highly integrated European businesses.</td>
</tr>
<tr>
<td><strong>Allow for retroactive application for tariff reimbursement</strong></td>
<td>Not included in the text.</td>
<td>Complexity of complying with rules of origin is such that an application for preferential access cannot be made at the point a product is imported. The ability to apply for a retroactive rebate – once the necessary documentation has been gathered – would ensure more businesses could access preferential tariffs.</td>
</tr>
<tr>
<td><strong>Simplify the transfer of employees between Japan and the UK</strong></td>
<td>CEPA goes slightly further than the EU-Japan EPA in easing movement of intra-corporate transferees and investors.</td>
<td>The CEPA should help to reduce some of the cost and complexity associated with moving personnel between Japan and the UK.</td>
</tr>
<tr>
<td><strong>Create a framework for the barrier free flow of data between Japan and the UK.</strong></td>
<td>CEPA provides additional provisions to facilitate the flow of data between the UK and Japan</td>
<td></td>
</tr>
</tbody>
</table>

---

\(^{42}\) Evidence from Written evidence from Honda Motor Europe, Parliamentary inquiry on UK trade negotiations: Agreement with Japan November 2020, [URL](#)
A Collective Bargaining Strategy for Trade

Recommendations for Workplace Reps

Consultation: What commercial and industrial information can you access through your collective agreements?

1) Establish trade as a bargaining issue to assess the threat:
   o What do you know about your employer’s current strategy?
   o Are you approaching the end of an investment cycle?
   o How reliant is your workplace on exports?
     ▪ Can you establish which countries are the most important?
     ▪ Is the employer targeting specific markets for growth?
   o Could your workplace be located to a ‘rival’ site? Has the site been identified, and can you proactively establish links?
   o Do you know the ‘Cost of Production/Service’ for your site and how this compares to ‘rival sites’?

2) Accessing this information:
   • Can this information be accessed through an Information and Consultation Agreement or a European Works Council?
   • Could you table an Information Disclosure Request?
   • Can your union help provide this information? For example:
     o Research Department: employer finances, annual and quarterly statements, information released to investors, supply chain mapping
     o International Department: links with other trade unions and Global Federations

Connections: establishing your place in the chain

3) Understanding your place in the supply chain:
   o Can you gain access to a list of companies in your supply chain?
     ▪ Top ten suppliers (by volume, value or total percentage of build)
     ▪ Top ten customers (by volume or value)
   o Did the employer have a ‘Brexit Contingency Group’ and do they have a Supply Chain Management group to assess vulnerabilities? Can you gain access to this information?

4) Identify the chokepoints in the supply chain
   o Identify each stage in the supply chain process.
     ▪ Which stages are already organised by Unite, which are unorganised but most important to the process, which are the most time-critical stages, and which stages are most at risk of disruption?
   o Identify any transport and logistical connections with your site.
     ▪ Road haulage companies
     ▪ Third Party Logistics (Warehouse, Distribution Centres, Last Mile Delivery)
     ▪ Reliance on ports, for imports or exports.
Coordination: *developing supply chain solidarity*

5) **Organisation:**
   - Can you form a Supply Chain Solidarity committee of Unite reps to coordinate this work? This could be through an existing Area Activists Committee or Combine or a new group.

6) **Keep connected:**
   - Face to face meetings may be best, but make sure you use WhatsApp groups and Zoom meetings to keep the connection going.
     - Could you hold an annual conference of the supply chain?
     - Can you organise site visits or days of action between sites in the chain?

7) **Focus on the practical benefits:**
   - Identify the points of connection between members in the chain:
     - Where can coordinating have the biggest impact?
   - Sharing industrial data to raise standards
     - Forecast for demand and volumes up or down the supply chain
     - Understanding terms and conditions along the chain
     - Which companies are the best and worst for pay, terms and conditions
     - Can an organising or coordinating committee produce a regular bulletin to share this information across the chain?
   - Opportunities for mutual organising, recruitment and mutual support for branches:
     - Recruitment: branches could coordinate on-site member recruitment to the union, signposting the relevant contacts rather than the branches operating completely separately.
     - Can you negotiate an ‘over the threshold’ agreement to represent and organise any Unite member who enters your site?43 (i.e. drivers and logistics workers)
     - Right to access: If there is a critical un-unionised site owned by your employer (i.e. a warehouse or distribution centre), can you use pay talks or similar negotiations to demand and win access for the union?
   - Coordinate activity where there is a clear joint interest, risk assessments, joint training, joint international solidarity

8) **Coordinating collective bargaining:**
   - Information sharing is a vital part of supply chain solidarity.
     - Can you establish the ‘rate for the job’ for grades within the supply chain?
     - Are there opportunities for coordinating bargaining? (i.e. pay anniversary dates)
     - Can you identify ‘chokepoints’ within the chain and can you pose a ‘credible threat’ to the employer?

   - **Health and Safety:**
     Covid 19 has shown that Health & Safety can also be an issue within supply chains. Unite H&S reps have been able to gain access to sites within their supply

---

43 Definition: An ‘Over the Threshold’ agreement is a site-level agreement which allows shop stewards to represent Unite members outside of the collective bargaining unit if they are on site. (i.e. any worker who ‘crosses the threshold’ such as delivery drivers, contractors)
chain in order to explore such risks which presents opportunities to develop further links.

- Is your employer involved in any supply chain initiatives on health and safety?
- Has your employer identified suppliers’ H&S problems as a possible supply chain threat?
- Has your employer placed any H&S requirements on its suppliers?
- Does your employer give any H&S support to any of its suppliers?
- Are Unite safety reps in your workplace involved in this work?
- Are Unite safety reps employed by the supplier involved?
- Is there any contact between the reps?

9) **Share out the work:**
   - Make sure that this work doesn’t fall on your shoulders alone.
     - Are there any activists within your branch who could help develop the work?
     - Can you bring other activists to organising committees?
     - Can you use supply chain solidarity to develop your branch’s younger activists?
   - Make sure that no one part of the supply chain is taking on a disproportionate amount of the work.
     - Set regular and achievable targets and try to divide tasks as evenly as possible within the supply chain committee.

10) **Challenges:**
    - Are there any factors that stand in the way of you carrying out this strategy?
      - Do you need more resources or training?
      - How can Unite support you?
Conclusion

This research has sought to establish trade as a collective bargaining issue and consider the industrial impact of Covid-19, Brexit and the UK’s post-Brexit trade agenda as a whole.

International trade is seen as something decided behind distant closed doors. It is not a process which invites the participation of working people and their representatives and it certainly does not want our scrutiny.

Yet trade cannot exist without us. The jobs of many thousands of Unite members are within the industries covered by the expansive new generation of Free Trade Agreements. From design and research, to the manufacture and transportation of goods to delivering (and using) public services.

Trade cannot be separated from its industrial impact; how it shapes, disrupts and re-shapes the working lives of Unite members across the country. The history of 'free for all' trade has been the steady advancement of an agenda of precarity, de-regulation and division between workers across borders and even between sites within the same multinational companies.

Central to all of this have been attempts to drive trade unions to the periphery of decision making or relegate us to ‘stakeholders’ at best. This has gone hand in hand with employer strategies of breaking up production, subcontracting and offshoring, which all aim to weaken the collective power of workers in a ‘race to the bottom’ of cost cutting.

The report highlights that when confronted by these issues workplace reps and shop stewards across Unite are already reaching for the fundamental principles of trade unionism to expose and counter these strategies.

This can be taken further, by proactively exploring how trade and similar disruptions are reshaping industries and the supply chains which sustain them today. These present new threats but also opportunities which Unite is uniquely placed to seize, through coordinated action between connected workplaces.

The dominant economic model of ‘free for all’ trade seeks to divide us and have us compete in a winner takes all ‘race to the bottom’. The ideas in this paper propose a starting point for piecing together what has been broken. It bases our strategy on an understanding that we do not work in isolation, but within the networks of supply, service, production and delivery. The power of working people in the system of global trade comes from where it has always come from, the solidarity between us.
Recommendations

• For Unite to adopt an approach to post-Brexit trade which is based on:
  o Supporting shop stewards, reps and workplace activists to develop a collective bargaining agenda to identify and counter employer strategies that result from changes to trade and other ‘disruptive events’;
  o Supporting a strategy of ‘supply chain solidarity,’ to develop Unite’s unique position as the UK’s largest trade union within supply chains;
  o Continuing to foster solidarity between workers in different industries, countries, and trade unions at workplace level.
  o Develop an education course in this field for reps and shop stewards, and also the development of young reps. This may involve the research department coordinating with external experts and shop stewards with experience of this work.

• Further research into the identification of ‘chokepoints’ with cross-sector, regional and national-level significance, including those which are not currently organised.
  o This may include coordinating efforts between Unite’s industrial sectors and internal departments, and expertise from industrial sectors and reps with experience of this work.

• Work with industrial sectors to monitor Freeports and identify opportunities for cross-sector collaboration

• Consider how to remove internal barriers to make collaboration and coordination easier for shop stewards and reps across existing industrial sectors of Unite.
  o Supporting reps who do attempt to form new groups and collaborations across their supply chains.
  o This paper does not recommend a prescriptive approach to the form these groups may take. Supply Chain Combines, Area Activist Committees, Hubs and branch-level collaborations are all examples considered in this paper.
  o Unite must consider how cross-sector groups which have been established successfully, such as the Humberside Hub initiative, can be supported by, recognised by and contribute directly to, the existing democratic-lay structures.
  o The use of new digital tools to support coordination between reps at workplace level, such as supply chain and contract mapping.
Appendix 1: Reps’ checklist

This scorecard is to assist Unite reps to assess the exposure of their workplace to disruption and the potential for a ‘supply chain solidarity’ strategy.

**Exposure to trade:** How exposed is your workplace to disruption from changes to trade?

<table>
<thead>
<tr>
<th>Notes</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Is your workplace reliant on exports?</td>
<td></td>
</tr>
<tr>
<td>Which are the most important markets?</td>
<td></td>
</tr>
<tr>
<td>How important is the UK market?</td>
<td></td>
</tr>
<tr>
<td>Could your industry be disrupted by new imports? (i.e. Dumping, imports at lower standards.)</td>
<td></td>
</tr>
<tr>
<td>Is the site in the supply chain for another site? (In same or different sector)</td>
<td></td>
</tr>
<tr>
<td>Is it possible for your work to be relocated?</td>
<td></td>
</tr>
<tr>
<td>What proportion of your supply chain is UK-based?</td>
<td></td>
</tr>
</tbody>
</table>

**Company strategies:** How has the employer responded to Covid-19 or Brexit?

<table>
<thead>
<tr>
<th>Notes</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Has the employer entered into a collaboration, joint venture or merger with another?</td>
<td></td>
</tr>
<tr>
<td>Is the employer offshoring work?</td>
<td></td>
</tr>
<tr>
<td>Is the employer outsourcing work?</td>
<td></td>
</tr>
<tr>
<td>Is the employer nearshoring or reshoring work or their supply chain?</td>
<td></td>
</tr>
<tr>
<td>Is the employer looking for ‘flexibility’ by shifting from a single to multiple suppliers?</td>
<td></td>
</tr>
<tr>
<td>Is it possible for your work to be relocated?</td>
<td></td>
</tr>
<tr>
<td>Are logistics, warehousing and distributed ‘in house’ or contracted out?</td>
<td></td>
</tr>
<tr>
<td>Has your employer identified suppliers’ Health &amp; Safety problems as a possible supply chain issue?</td>
<td></td>
</tr>
</tbody>
</table>

**Consultation:** What information can you gain about the employer’s strength and the supply chain?

<table>
<thead>
<tr>
<th>Notes</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Did your employer have a Brexit Contingency Group to prepare for January and/or future trade?</td>
<td></td>
</tr>
<tr>
<td>If so, were you consulted on this and can you gain access to this work?</td>
<td></td>
</tr>
<tr>
<td>Does your employer have a standing Supply Chain Management Group?</td>
<td></td>
</tr>
<tr>
<td>Can you get access to this information through an Information &amp; Consultation Agreement or an Information Disclosure Request?</td>
<td></td>
</tr>
<tr>
<td>Do you have a European Works Council which could demand this information?</td>
<td></td>
</tr>
<tr>
<td>What other information do you need, but do not have access to? May other Unite reps in your supply chain / company’s customers have this? (i.e forecast demand, volumes.)</td>
<td></td>
</tr>
</tbody>
</table>
Can you request, or get hold of, a list of your site’s most important suppliers? (i.e Top 10 by percentage of content.)

**Chokepoints: What is our assessment of your members’ position?**

<table>
<thead>
<tr>
<th></th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is work separated out between multiple sites? (i.e. R&amp;D, final assembly, distribution &amp; delivery)</td>
<td></td>
</tr>
<tr>
<td>Are any parts of this process time sensitive?</td>
<td></td>
</tr>
<tr>
<td>Which parts of this process, or your workplace, are reliant on skilled workers?</td>
<td></td>
</tr>
<tr>
<td>Has the employer invested in large infrastructure in recent years?</td>
<td></td>
</tr>
<tr>
<td>Which parts of your workplace are difficult to automate?</td>
<td></td>
</tr>
<tr>
<td>Where would disruption to this process have an impact beyond the immediate area?</td>
<td></td>
</tr>
<tr>
<td>Is it possible to estimate the ‘cost of disruption’?</td>
<td></td>
</tr>
<tr>
<td>Is the company reliant on a single source of supply?</td>
<td></td>
</tr>
</tbody>
</table>

**Connections: How strong are your connections to others in the company or supply chain?**

<table>
<thead>
<tr>
<th></th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is there a Combine / Hub / Organising Committee / National Committee between sites in your company?</td>
<td></td>
</tr>
<tr>
<td>Is there a Combine / Hub / Organising Committee / National Committee between sites in your supply chain?</td>
<td></td>
</tr>
<tr>
<td>Have you been able to map your supply chain, or your site’s place in a supply chain?</td>
<td></td>
</tr>
<tr>
<td>Is your site connected to major ports for imports or exports?</td>
<td></td>
</tr>
<tr>
<td>Is your site reliant on a road haulage company?</td>
<td></td>
</tr>
<tr>
<td>Which distribution centres or transport hubs does your site rely on?</td>
<td></td>
</tr>
<tr>
<td>Could Unite Health &amp; Safety reps gain access to supply chain sites?</td>
<td></td>
</tr>
</tbody>
</table>

**Conclusion:**

<table>
<thead>
<tr>
<th></th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>


Appendix 2: methodology

This research is based on structured interviews with 30 shop stewards, workplace reps and convenors from several of Unite’s industrial sectors.

Between February and April 2020 the Unite Research Department considered sector-level exposure to trade disruption. Based on this research the following sectors were selected for further research: Automotive; Aerospace & Shipbuilding; Engineering, Manufacturing and Steel (EMS); Chemicals, Pharmaceuticals, Process and Textiles (CPPT); Graphical, Print Media & IT (GPM&IT); Docks, Rail, Ferries & Waterways (DRF&W); Food, Drink and Agriculture; Road Transport Commercial, Warehousing and Logistics (RTCW&L); Local Authorities; and Education.

The following criteria was then used to identify potential workplaces for research.

<table>
<thead>
<tr>
<th>Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top 10 (by Unite membership)</td>
</tr>
<tr>
<td>Is the site in the supply chain for another site? (In same or different sector)</td>
</tr>
<tr>
<td>Export sensitive</td>
</tr>
<tr>
<td>Import sensitive</td>
</tr>
<tr>
<td>Is there a risk of closure?</td>
</tr>
<tr>
<td>Can work be relocated? (UK or abroad)</td>
</tr>
<tr>
<td>Negative Covid-19 precedent (Employer hostility)</td>
</tr>
</tbody>
</table>

Candidate interviewees and workplaces were discussed with National Officers, Regional Coordinating Officers and Regional Officers before being approached for interviews.

An initial discussion with the reps was organised by a Unite researcher and formal 1.5 to 2 hour structured interviews were arranged between June and November with Andrew Waterman, based at Portsmouth University.

The interviews were structured to include three broad areas:

1) **Disruption**: The immediate issues raised by changes in the UK’s trade agenda and the ongoing Covid-19 crisis.
2) **Power mapping**: The specific nature of work, the position of the workplace within both the company and the supply chain, and the potential for the workplace and the supply chain to be impacted by changes in the UK’s trade agenda.
3) **Structure test**: The strength of the union at workplace and company level, the strength of connections between Unite reps and members across sites, and the potential for strategic inter-union links and industrial leverage to be built.

Taken together the interview provides an assessment by the rep to explore the potential for a collective bargaining approach to trade. Where possible multiple reps were interviewed within the same supply chains, which allowed for additional research and analysis to form an initial technical composition of the industry.

Follow up research began immediately after each interview and the final analysis of the transcripts and secondary research took place in November 2020.

This project has developed the approach taken by Unite’s Research Department in the report *Taking Back Control: Brexit in the Workplace* (2019). This participatory approach of applied industrial research could now be developed further in the tradition of the ‘Workers’ Inquiry’.
Appendix 3: glossary

**Unite sectors:**
- **CPPT:** Chemicals, Pharmaceuticals, Process and Textiles
- **DRF&W:** Docks, Rail, Ferries & Waterways
- **EMS:** Engineering, Manufacturing and Steel
- **GPM&IT:** Graphical, Print Media & IT
- **RTCW&L:** Road Transport Commercial, Warehousing and Logistics

**Trade terms:**
- **Supply chain:** In this paper a ‘supply chain’ is taken to mean every workplace within an industrial chain which is required for work to happen.
- **Associational power:** This is the strength of the connections between workers, either within a workplace or beyond, and is measured by their ability to act as a collective actor.
- **Structural power:** This is the latent power which comes from a workers position within a workplace, industry, supply chain or the wider economy.
- **Chokepoint:** This is a specific position the organisation and disruption of which would have a disproportionate industrial impact beyond the immediate workers or area concerned. (i.e. a major port).
- **SCRM:** Supply Chain Risk Management
- **WTO:** World Trade Organisation.
Acknowledgements

Lead Researchers
Andy Waterman
Ben Norman

Director of Research
John Earls

Unite Research Department
James Lazou
Bridget Henderson
Roisin McDermott
Frank Grey
Irina Do Carmo
Colin Potter
Rick Graham
Jacqueline Houghton

Unite International Department
Ben Richards

Unite Health & Safety Unit
Bud Hudspith
Rob Miquel
A COLLECTIVE BARGAINING STRATEGY FOR TRADE

Unite Research Department