

n°5 - SEPTEMBER - 2009

UNI telecom

Bulletin

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## ORGANISING AND TRADE UNIONS IN ACTION

### Global: Call Centre Action Month in October

Call Centre Action Month is nearly here.

We will be calling on the global giant Telefonica to respect its agreement with UNI and ensure that its call centre workers have the right to form and join trade unions. Workers in Ireland and in Latin America are currently facing hostile management, intimidation and bitter battles for union recognition.

To support Telefonica workers, you can ask your members to sign a post card addressed to their CEO demanding that union rights are respected.

During the month, UNI will also release a research report on the daily lives of call centre workers and will put a spotlight on union organising in call centres around the world.

For more information about how your union can get involved, contact Claire Parfitt:

[claire.parfitt@uniglobalunion.org](mailto:claire.parfitt@uniglobalunion.org)

### El Salvador: Trade union rights for all telecom workers

On 27 August, unions in El Salvador held a demonstration to highlight employer opposition to the organising efforts of workers at CTE Telecom.



Outside CTE Telecom's offices in San Salvador, unions from Chile, Guatemala, Colombia and Peru denounced the company for intimidating workers seeking to organise and demanded that fundamental rights to freedom of association be respected.

### Vodafone: Under fire in Africa



Vodafone has announced 950 job cuts in its operations in Ghana by November 2009.

The company has been criticized by the Trade Union Congress in Ghana's capital Accra for unilaterally imposing compulsory redundancies, rather than following the country's established procedures. The General Secretary of the TUC, Mr. Kofi Asamoah, has accused Vodafone of not exhausting the proper legal procedure, but rather using intimidation and coercion.

This dispute arises a few months after the South African trade union confederation, COSATU opposed Vodafone's purchase of a further stake in Vodacom.

### Europe: Employee Council elections at Vodafone

At a meeting in the United Kingdom, Luis Serrano was re-elected as the Chair of the European Employee Consultative Council for Vodafone workers.

Luis has been a union member for many years. We are pleased to congratulate him on his success and to wish him well in this role in the coming years.

**New Zealand: Workers down under are fighting the race to the bottom**

Hundreds of workers across New Zealand are fighting NZ Telecom's decision to let a contract for network maintenance services to Visionstream.

Visionstream is an anti-union Australian company which operates on a "dependent contractor" model. This means that the company does not engage its staff as employees but rather forces them to buy their own equipment and transport vehicles, to pay for their own holiday and sick leave entitlements and to accept all of the other financial obligations associated with their own employment. These contracts could cut workers pay by 50-65%.

NZ Telecom and Visionstream are deceptively denying their fundamental responsibilities as employers and are putting the economic and social well-being of hundreds of Telecom's engineers, administration staff and call centre workers at risk.

**EPMU in action**

Members of the EPMU have been taking action since July in cities across the country including Auckland, Hamilton, Rotorua, Whakatane, Wellington, Blenheim, Nelson and Christchurch, to bring attention to the issue.



So far, the union is having great success. Visionstream has signed up less than 100 workers to the new dependent contractor arrangements, but it needs at least 600 workers to fulfill its contractual obligations and to provide the services it has promised to NZ Telecom.



Visionstream has accelerated lay-offs, in order to push workers into unemployment this week and to increase the pressure on workers to sign the new contracts.

The union will continue its fight and continue to support workers in holding out for a fair deal with employment conditions equivalent to those under the previous contract.



**UNI's response**

UNI Global Union wrote to Telecom NZ, Visionstream and Leighton Holdings, which owns Visionstream, demanding that they own up to their responsibilities as employers.

Leighton Holdings is owned by the German company Hochtief which has a global agreement to respect workers rights with the Building and Woodworkers International union federation (BWI).

UNI and BWI wrote jointly to Hochtief, asking the company to intervene and ensure that these New Zealand workers are treated fairly, engaged on decent conditions and enabled to live with dignity.

**What can you do?**

UNI has set up a petition on our Telecom website – you can send an email from there to NZ Telecom CEO Paul Reynolds, telling him that you think the company should ensure its staff have fair working conditions.



You can send messages of support to the EPMU in New Zealand, letting the workers know that they are not alone in their fight against being pushed into poverty by multinational companies greedy for profits.

Send your emails to Joe Gallagher at :

[joe.gallagher@epmu.org.nz](mailto:joe.gallagher@epmu.org.nz)

Keep updated about what's happening in this dispute by checking the EPMU website:

[www.epmu.org.nz/telecom](http://www.epmu.org.nz/telecom)



**Deutsche Telekom: Disappointing first half results & workers paying for its profits in USA**

Despite cost-cutting in the UK, US and Poland, Deutsche Telekom's wireless subsidiaries are not performing favourably against their rivals.



T-Mobile UK remains a drain on its parent company Deutsche Telekom. At 4th place in the competitive UK mobile market, T-Mobile is trailing giants like Telefonica, France Telecom and Vodafone. Second quarter results showed that T-Mobile's profit margin was down 2% to 17.3%, while Telefonica's O2 recorded 25.85%.

Deutsche Telekom's performance in the United States is limited by the fact that its networks do not support sophisticated handsets like the iPhone, unlike its competitors Verizon Wireless and AT&T. T-Mobile USA's operating profit decreased by 2.3% in the first half of this year.

T-Mobile USA's 2nd quarter operating profit increased by 1% on last year's 2nd quarter. Profit margin also increased by 1%. The company attributed these increases to "focused efforts on reducing operating expenses". In practice, this meant that the company decreased performance bonuses for its retail staff, and by doing so, decreased the average cost of acquiring a customer, or "Cost Per Gross Add". Retail staff receive a low base rate of pay and often rely heavily on performance

bonus, or commission, pay to supplement their incomes.

The company gained only 325,000 new customers in the 2nd quarter, down from 415,000 in the 1st quarter and 668,000 in 2nd quarter 2008.

Only T-Mobile's Polish business showed positive results, with the second quarter operating profit margin increasing by around 10% on first quarter figures, but this followed a 13% slash in operating costs.

Reflecting some of the company's financial woes, T-Systems reported that it negotiated restructuring measures with its employee representative committee in Germany. These measures include 3,000 job cuts in 2009 and 2010 and other restructuring arrangements which will be completed by 2012. The agreement protects the remaining employees from any further lay-offs until after 2012.

**Tell Telefonica: CSR means workers rights too**

Last month, Telefonica released its 2009 corporate social responsibility report.



The report addresses issues such as climate change and other environmental concerns, various philanthropic projects the company supports, training for employees and health and safety.

The report also explains that Telefonica is a participant in the UN Global Compact initiative and that the company "actively supports" the Millennium Development Goals which seek to fight global poverty.

However, these claims are made against a continuing background of the company's refusal to respect basic labour rights for thousands of its employees.

Telefonica's O2 workers in Ireland are still battling a hostile management for union recognition. In Latin America, Telefonica's Atento employs over 100,000 workers, many of whom are denied the right to form or join a trade union and to collectively bargain. 35 union leaders wrote to Telefonica's CEO in January 2009 to raise these and other issues regarding workers' rights and yet these problems have not been resolved more than six months later. These problems will be the focus of UNI Telecom's Call Centre Action Month in October.

**Bharti Airtel and MTN merger**



India's Bharti Airtel and South Africa's MTN Group have extended the July 31 deadline for their merger deal.

The delay is due to regulatory complications, as well as to uncertainties as to the role of SingTel's role in the deal. SingTel owns about 30% in Bharti, India's biggest telecom operator by subscriber numbers. The strength of the South African currency may also be affecting talks. The currency has performed well due to announcements of a potential merger and has fallen with news of the delay.

Bharti and MTN revived talks about this USD23 billion merger, which would create one of the largest mobile telecommunications companies in the world, in May 2009. Merger talks last year failed as they couldn't reach an agreement on the structure of the deal.

### Australia: New labour laws and a new relationship with Telstra

The new Fair Work Act came into force in Australia this July.

The new law scraps the former conservative government's anti-union, anti-worker legislation.



The new laws will re-establish fundamental labour rights and protections for workers and their unions in Australia. Provisions being re-installed or strengthened by the legislation include protection from unfair dismissal, a basic safety net covering pay, hours of work and rest breaks, collective bargaining rights and union membership and representation.

At the same time, unions with members at Telstra, Australia's incumbent telecommunications provider, signed an agreement with the company in July to promote a better working relationship into the future.

With the departure of the former union-hostile CEO, the CEPU, CPSU and APESMA are looking forward to working with a more cooperative Telstra management and are currently negotiating a new collective agreement.

### USA: Speed Matters report resonates



CWA's Speed Matters campaign released its 3rd annual report on internet access speeds this week.



The report shows that little progress has been made on internet speeds in the last year in the USA and the country continues to lag behind many other nations.

The Speed Matters report reflects the views of media outlets and other commentators on USA communications.

### Latvia: Unions say no to laws cutting pensions and social benefits

 UNI Global Union General Secretary Philip Jennings wrote to  the Latvian President in August, urging him to amend recent legislation regarding pensions and social benefits.

The legislation, which is also opposed by UNI's affiliates, the Latvian Post and Telecommunications Workers' Trade Union, discriminates against older workers and in doing so, contravenes the Latvian Constitution and international law.

### Forthcoming UNI Telecom Events:

9-11.09.2009

European ICTS conference, Dublin.

21.09.2009

UNI-Europa Telecom Social Dialogue WG meeting, Brussels.

22-25.09.2009

UNI Africa Committee meeting/MTN TU Alliance meeting, Johannesburg [NOTE: dates changed]

October 2009

Call Centres Action Month, global.

01.10.2009

UNI-Europa ICTS Freelance, Luxembourg.

26.10.2009

UNI-Europa Telecom SD WG meeting, Brussels.

28-30.10.2009

ICT Forum, Helsingør (DK).

23-24.11.2009

South Asian Committee meeting, Dhaka.

24-25.11.2009

ICTS Task Forces+Steering Group meetings, Brussels.

08.12.2009

SD Plenary Session 2, Brussels.

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