

Transnational Labor Alliances and Why Corporations Concede: Lessons from Southeast Asia

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Abstract

This paper analyzes the dynamics of transnational labor alliances (TLAs), which entail active cooperation by workers from two or more different countries aimed at altering the behavior of a transnational corporation. Unlike transnational advocacy networks (TANs), TLAs are motivated mainly by material goals and do not seek to involve the state in their conflicts with corporations. Consequently, TLAs do not follow the boomerang model (Keck and Sikkink 1998) of transnational activism. Existing theories of transnational activism are therefore inadequate for explaining the recent success of TLAs in improving working conditions and labor rights across a variety of firms around the world. This paper thus develops a theory of success and failure in TLAs by investigating the mechanisms through which TLA campaigns do or do not have an impact on corporate practices. Using original interview data and process-tracing methods of causal analysis, I compare two highly similar TLA campaigns centered on labor disputes at foreign-owned luxury hotels in Indonesia and Cambodia. I find that the Indonesia-based TLA failed while the Cambodia-based TLA succeeded because the latter directly threatened the target corporation's core, material interests, while the former did not. The evidence suggests that while TLAs share some characteristics in common with TANs, the mechanism through which transnational activists compel a target actor to change its behavior differs in TLA campaigns.

The 2000s and 2010s saw a surge of strategic cooperation among workers from different countries that challenged perceptions of organized labor as powerless against the forces of globalization. These transnational labor alliances – defined as active collaborations among organized groups of workers based in two or more different countries – have used targeted campaigns to pressure transnational corporations into improving or maintaining wage levels, working conditions, union recognition, job security, and collective bargaining rights. Successful transnational labor alliances (TLAs) have directly improved the material well-being of the workers involved and enhanced their capacity to obtain future gains through collective action. Successful TLAs also suggest that organized labor can, under certain conditions, change the behavior of transnational corporations to produce more equitable social outcomes.

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Acknowledging that labor has agency in the global economy does not mean, however, that TLAs always and everywhere have a significant impact. Surely, some alliances are successful.² Yet far more numerous and far less publicized are the scores of TLAs that have faltered, broken down, dissipated, or collapsed. Even those that remain intact might not ever execute an effective transnational campaign, as their attempts to take on powerful corporations end in uncertain stand-offs or total defeat.

Despite growing scholarly interest on the subject of TLAs (McCallum 2013; Anner 2011; Fairbrother et al. 2011; Croucher and Cotton 2009; Bronfenbrenner 2007; Kay 2005), to date we still lack a theoretical framework for understanding why some TLAs succeed while others do not. This paper thus develops a causal theory of success and failure in transnational labor alliances through an examination of two highly similar TLAs centered on the luxury hotel industry. I compare the successful campaign to reinstate employees of the Raffles hotel chain in Phnom Penh and Siem Reap, Cambodia, to the unsuccessful campaign in support of workers employed by the Shangri-La Hotel in Jakarta, Indonesia. The two campaigns' similarities are difficult to ignore: Both campaigns were launched in response to mass dismissals of hundreds of employees of five-star hotels in major tourist and business destination cities in Southeast Asia. Both campaigns also focused on foreign companies with strong interests in maintaining a positive reputation for high-quality service worldwide. Moreover, in both cases local workers in developing countries formed TLAs with developed-country workers' organizations whose members had no personal stake in the hotel workers' disputes. Given these striking similarities, why was the Raffles campaign so much more successful than the one targeting Shangri-La?

² I define success as a transnational labor campaign resulting in a measurable improvement in the material well-being or strategic capacity of the workers that the TLA represents without the workers in question suffering losses serious enough to outweigh those gains.

I find that what distinguished Raffles from Shangri-La was the workers' *power strategy*. Specifically, the Raffles campaign succeeded because the labor alliance effectively exercised *coalitional power*, leveraging the influence of consumers and especially high-profile political actors to boycott the hotel chain. This power strategy was effective because luxury hotel chains must maintain a positive public image in order to secure long-term profitability. By threatening Raffles' reputation, the TLA posed a viable threat to the company's core, material interests. In contrast, the Shangri-La labor alliance attempted to exercise *structural power* by physically disrupting the company's operations. Yet because hotels can withstand short-term strikes and other disruptions to their day-to-day operations and can even endure serious setbacks due to prolonged industrial action, this power strategy did not threaten to undermine Shangri-La's core interests; consequently, the campaign did not succeed.

Based on these findings, I therefore argue that a context-appropriate power strategy is a necessary condition for successful labor transnationalism. In other words, for TLAs to succeed, they need to exercise a type of power that directly challenges the core interests of the employer with whom workers are in conflict. Hence, it is ultimately a TLA's capacity to threaten an employer with long-term material loss, rather than the employer's genuine acceptance of principled ideas or international norms, that compels the corporation to behave in a way it otherwise would not.

This paper proceeds first by contrasting transnational labor alliances with the well-known phenomenon of transnational advocacy networks (TANs). I hypothesize that unlike TANs, which tend to follow the "boomerang model" of transnational activism (Keck and Sikkink 1998), TLAs do not attempt to promote particular norms or values, nor do TLAs try to leverage the influence of powerful states over weaker states. This is because TLAs are motivated by workers' material

interests and aim instead to influence transnational corporations (TNCs) directly. In the next section I explain the three distinct types of power that TLAs can exercise – structural power, institutional power, and coalitional power – and the conditions under which each power type can be expected to be effective in altering the behavior of an TNC. Next I discuss my methods and data. The subsequent section illustrates the two case studies. I provide evidence from the Shangri-La and Raffles campaigns to support my argument that it was context-appropriate power rather than principled ideas or norms that ultimately compelled Raffles to concede. Conversely, the lack of a context-appropriate power strategy limited the Shangri-La campaign. Finally, I conclude with a discussion of the implications of my findings.

Why TLAs Are Not TANs

In some respects TLAs are similar to transnational advocacy networks (TANs), which are international networks of activists motivated primarily by principled ideas or values (Keck and Sikkink 1998). TLAs and TANs both pursue their members' goals through transnational campaigns that target powerful actors in the international system. Both entities also exercise “agency that is not reducible to the agency of their components” (Keck and Sikkink 1998: 5). Both also employ several of the same tactics, such as providing information, framing issues to resonate with outside audiences, leveraging the capacity of stronger actors, and holding targets accountable to their prior commitments. Nevertheless, TLAs are not TANs for several reasons.

The first has to do with composition and form. In contrast to the mix of NGOs, social movements, intellectuals, religious organizations, and other groups that may comprise a TAN, a TLA consists only of workers and their organizations, such as trade unions or global union federations. Like other large, membership-based organizations, unions have well-defined constituencies with relatively concrete common interests. Consequently, TLA members are

motivated less by principled ideas and values and more by material concerns, such as defending jobs, raising wages, or improving working conditions.

The second major difference centers on targets and tactics. TANs mostly strive to change the behavior of states. In the boomerang model, local actors blocked from political action in their home state activate a TAN, whose members then pressure their own, more powerful state to intervene in the first state's domestic affairs on behalf the local actors (Keck and Sikkink 1998: 13). In the process TANs rely heavily on ideas, norms, and information not only to generate awareness of key issues but also to construct new categories and value contexts that help persuade states to reformulate their interests and ultimately change their behavior. The ability of TANs "to generate information quickly and accurately, and deploy it effectively, is their most valuable currency; it is also central to their identity" (Keck and Sikkink 1998: 10).

In contrast, TLAs seek to circumvent the state altogether and instead attempt to alter corporate behavior through direct action. This is in part because workers increasingly perceive states to be less willing and less able than in the past to protect labor rights, provide unions with effective channels for political influence, and enact policies of economic redistribution (Tilly 1995). Furthermore, corporations' core interests in profit-making are built into their very being. This makes it relatively easy for TLAs to identify and target TNCs' existing vulnerabilities rather than attempt to transform their identities and interests through the strategic deployment of principled ideas, values, and norms.

This is not to say that ideas do not matter. Certainly, all transnational actors engage in patterns of behavior that are to a great extent valued-based and informed by international norms. Moreover, invoking international norms and principled ideas can help TLAs reach out to transnational networks beyond the labor movement and even come to resemble TANs in tactics

and form. Nevertheless, when it comes to compelling an employer to do something it otherwise would not do, ideas are never the last link in the causal chain.

Hence, unlike TANs, TLAs do not follow the boomerang pattern of transnational activism but instead attempt to change corporate behavior by targeting corporations' existing material interests directly. When workers engage in tactics that clearly threaten that employer's core, material interests, such as shareholder value or the long-term sustainability of a business model, they are more likely to succeed in changing a TNC's behavior. In short, successful TLAs rely not on the boomerang model but on a strategy of context-appropriate power.

Three Varieties of Power

How do TLAs actually exercise power, whether context-appropriate or not? Power in general is defined here as the capacity of an actor A to make another actor B do something B otherwise would not do (Knight 1992). Drawing from previous work (Brookes 2013), I argue that there are three specific varieties of power that TLAs can exercise: structural power, institutional power, and coalitional power. Structural power is the capacity to compel an employer to do something it otherwise would not do through the physical disruption of the production or delivery of goods and services on which that particular employer depends. Institutional power is the capacity to invoke the formal and informal rules that structure the employment relationship to prompt a change in an employer's behavior. Coalitional power is the capacity of workers to leverage the influence of non-labor actors (such as consumers or shareholders) on whom an employer depends for its profitability and long-term viability.

Structural, institutional, and coalitional power are the result of workers' embeddedness in, respectively, economic structures, institutional frameworks, and social networks. Employers are vulnerable to workers' power to the extent that they depend on these same structures,

institutions, and networks to carry out their business practices and fulfill their core interests. This combination of worker embeddedness and employer dependence thus determines the circumstances under which each of the three power strategies will be effective in influencing an employer to do something it would not otherwise do. TLAs thus exercise context-appropriate power when they take advantage of the economic structures, institutional frameworks, or social networks on which the target TNC depends.

For instance, when workers who are embedded in a global production network withdraw their labor or otherwise directly disrupt business operations – that is, when they exercise structural power – this generally threatens an employer’s core interest in smooth and profitable production processes. One can assume, however, that structural power will be less effective on an employer that can endure a brief disruption to its operations, easily replace its existing workforce, or isolate instances of industrial action to avoid ripple effects throughout its extended operations. A manufacturer that relies on just-in-time production would be susceptible to structural power, while one that maintained large inventories in warehouses might not. Varying vulnerabilities thus make structural power context-appropriate for some firms but not others.

For institutional power, context-appropriateness means that workers’ efforts to invoke laws, rules, regulations, or other institutions can compel an employer to change its behavior only if the consequences of ignoring or subverting those institutions would harm that employer’s core interests. For example, a manufacturing firm whose production strategy depends on institutions that enable management to receive constant input from a stable, skilled workforce with accumulated shop floor knowledge is more likely to negotiate with its workers in ways that maintain those institutional arrangements than a firm that can afford to shed labor for short-term gain. Similarly, a firm facing a credible threat of enforcement by legal authorities for failing to

comply with institutionalized practices is more likely to respond to institutional power than one that can remain recalcitrant with impunity.

Finally, whether coalitional power is context-appropriate depends on how dependent a given employer is on consumers to purchase goods and services, investors to provide capital, politicians to pass business-friendly legislation, or another group of non-labor actors that affect a corporation's operations and profitability. A company that depends directly on its brand name and public image for drawing in customers – such as a restaurant, hotel chain, or airline – will be more vulnerable to negative publicity from a worker-consumer coalition than a company for whom image and brand are less essential, such as an oil company or defense contractor. Likewise, a worker-investor coalition has more potential to affect a publicly traded company that is subject to shareholder scrutiny rather than a privately held company that is not. And while a place-dependent business might respond to pressure from a coalition of workers and local politicians, a relatively more mobile TNC, less fearful of losing political favor, might not.

Given these three distinct power types, one can analyze particular companies – such as the five-star Shangri-La and Raffles hotel chains – in light of their vulnerabilities to different varieties of power. Service excellence and quality are of paramount importance in the luxury hotel industry. Image also matters immensely. International luxury hotel chains thus spend considerable money and time cultivating their brands, and any threat to the long-term viability of the chain's brand name is thus a threat to the entire chain's survival. A tarnished brand name can undermine decades of careful investment. As Raffles International Executive Vice President Jennie Chua put it, “When you invest in a hotel, it is not for five to 10 years. It is for 100 years” (quoted in *Agence France Presse* 11/24/97).

Hence, of the three power types discussed, coalitional power should be the most effective means for a TLA to influence a five-star hotel. By forming coalitions with potential customers and influential mass media, TLAs can convince high-profile customers not to patronize that particular chain. The hotel in question would then give in to this pressure not out of concern for international norms but simply to save its brand and secure the long-term viability of the business.

In contrast, structural power – in the form of strikes, go-slows, or on-site demonstrations – should not be expected to be context-appropriate in the case of luxury hotels. Hotel managers can easily isolate instances of industrial action, which are unlikely to spread from one autonomously functioning hotel site to another. Moreover, despite their high service standards, luxury hotels still tend to rely on low-wage, low-skilled workers, making employees relatively easy to replace in the event of a strike. Hence, short-term financial losses due to strikes and other forms of structural power should not be nearly as effective in changing a luxury hotel chain's practices as the threat of lasting damage to its global reputation.

It is possible that institutional power could be effective on luxury hotels, provided that workers and the hotel in question are embedded in a system of labor-friendly laws, rules, and regulations that a TLA could leverage to hold the company accountable. As will be revealed below, however, this is less relevant for the Shangri-La and Raffles campaigns since they primarily played out in countries lacking labor-friendly institutions (Indonesia and Cambodia).

Case Studies: Shangri-La vs. Raffles

In January 2001, managers of the five-star Shangri-La Hotel in Jakarta, Indonesia fired over 500 employees en masse following a breakdown in negotiations over wages and benefits. In response the workers staged daily demonstrations outside the hotel and reached out to their labor

allies abroad, spurring a flurry of transnational solidarity actions. Nearly two and half years later, despite dozens of international rallies, thousands of protest letters, and the threat of industrial action at the company's overseas properties, the transnational campaign failed to win back, let alone improve, the Shangri-La workers' jobs. While workers did in some cases receive monetary compensation, the majority suffered from prolonged unemployment and a steep loss in strategic capacity due to the destruction of their local union.

Just one year after that campaign's conclusion, in April 2004, employees of the Raffles luxury hotel chain in Phnom Penh and Siem Reap, Cambodia, faced a similar situation when managers fired approximately 300 workers for striking over their employer's refusal to distribute a 10 percent service fee charged to hotel guests to supplement workers' incomes. As in Indonesia, the Cambodian workers held local demonstrations outside their former workplaces, while their international labor allies staged rallies in various cities around the world, bombarded Raffles' owners with protest messages, and called for a boycott of the two hotels. Unlike their Indonesian counterparts, however, the Cambodian workers won: In less than six months, Raffles rehired the majority of the workers, recognized their union exclusively, negotiated a new collective bargaining agreement, and guaranteed their full pay, including the full and transparent distribution of the service charge.

Why did the Shangri-La and Raffles campaigns turn out so differently? In light of the fact that both cases stemmed from mass dismissals of hundreds of employees of internationally branded five-star hotel chains in Southeast Asia, in addition to the fact that both sets of local workers gained significant leverage through TLAs, it seems strange that only the Raffles employees succeeded in full. Below I delve deeper into these cases in order to compare them on the basis of variables that do and do not help explain the campaigns' divergent outcomes.

Origins of the Disputes

The two transnational labor campaigns both began with mass firings. In Indonesia, the dispute began in late 2000 when the Shangri-La Independent Workers' Union (*Serikat Pekerja Mandiri Shangri-La* [SPMS]) requested better wages, equitable distribution of the gratuity charge, and an Idul Fitri holiday bonus (*The Jakarta Post* 12/23/00; *Workers Online* 4/20/01). SPMS argued that the hotel workers' average monthly wage³ – less than half the cost of a single night's stay in the hotel – was inadequate. Management rejected this position, and following the breakdown of negotiations, fired SPMS president Halilintar Nurdin, sparking a spontaneous gathering of some 420 employees in the hotel lobby (*The Jakarta Post* 12/23/00; *Workers Online* 4/20/01). The gathering grew into a sit-in, and for four days, workers occupied the hotel lobby. Then the police came. On the morning of December 26, hundreds⁴ of police officers violently dragged out scores of protesting workers and held 30 key unionists without charge for 24 hours (*The Jakarta Post* 1/6/01). The rest were locked out of the hotel.

One week after the lockout, 200 workers received notices immediately terminating their employment. The number of firings would eventually top 500. Nevertheless, hundreds of Shangri-La workers continued to protest outside the hotel and, in early January, rallied outside the United Nations building in central Jakarta and marched to the House of Representatives in effort to gain political support for their side of the dispute (*The Jakarta Post* 1/6/01). FSPM, the federation to which SPMS was affiliated, even considered calling a national strike (*The Jakarta Post* 1/9/01). Meanwhile, the hotel's operations remained halted, with police guarding the

³ Workers said they were paid only Rp 280,000 per month (vs. the legal minimum wage of Rp 384,000 per month), excluding income received from the customer service charge (*The Jakarta Post* 1/26/01).

⁴ Estimates vary widely, from “over 250” according to *The Jakarta Post* (1/6/01) to “more than 1,000” according to IUF representative Hemasari Dharmabumi (interview, 3/5/12).

building night and day (*The Jakarta Post* 1/13/01). By the beginning of the new year, it had become clear that the Shangri-La dispute would not be resolved easily or soon.

A few years later a similar dispute erupted in Cambodia. Employees of the Raffles Hotel Le Royal in Phnom Penh and the Raffles Grand Hotel d'Angkor in Siem Reap earned as little as US\$30 per month (*Asian Food Worker* 2/16/04) and thus came to rely heavily on service fees⁵ to supplement their basic incomes. The workers and their union, the Cambodian Tourism and Service Workers Federation (CTSWF) complained, however, that management at both hotels had been withholding funds from the service fees rather than paying them directly to the employees. The issue caused collective bargaining to break down at both hotels in late 2003, and the dispute then went to the Cambodian Arbitration Council⁶ (AC), which in January 2004 ordered Raffles to pay the hotel workers all service fees collected and increase the basic wage to US\$50 a month (*Asian Food Worker* 2/5/04; IUF 4/2/04). Rather than accept the AC's rulings, however, Raffles simply chose to discontinue their service fee entirely (IUF 4/2/04). There is nothing illegal about not charging a service fee in the first place, nor was ignoring the AC of any legal consequence since the Council's decisions are non-binding.

On April 5, 2004, the hotel workers went on strike. Managers at the Raffles Le Royal and the Grand d'Angkor stood their ground. Raffles Le Royal fired 97 workers. Raffles Grand d'Angkor sacked another 190. The two Raffles hotels thus fired nearly 300 workers total, amounting to half of their combined workforce and the entirety of the union membership at those two hotels (ILO, Case 2116). Yet what seemed like a simple solution to oust unruly labor agitators not only failed to quell the unrest but also triggered further on-site demonstrations by the former hotel workers. At the same, however, the workers' attempts to bring managers back to

⁵ Service fees are common in Cambodia and typically take the form of a 10 percent gratuity automatically applied to customers' bills.

⁶ The Cambodian Arbitration Council is an independent, tripartite body empowered to mediate labor disputes.

the bargaining table through traditional picketing and protests would prove unproductive unless the workers could find a way to go beyond business as usual.

Although the exact circumstances leading up to the Shangri-La and Raffles dismissals differed somewhat across the cases, in neither case was there anything to suggest that the outcome of the dispute would depend on the particular points of contention between union workers and management. Both cases thus began as equally open-ended. This leaves us to search elsewhere for variations across the cases that might have steered one group of workers toward failure and the other toward success.

Domestic-level Variables

One plausible explanation for the two cases' different outcomes is that the Cambodian union, CTSWF, was simply better organized and had better resources than the union in Indonesia, SPMS. Yet differences in internal organization and access to resources do not appear to explain the different outcomes of the Raffles and Shangri-La campaigns. Both the CTSWF and SPMS were activist, democratic unions characterized by strong, positive relationships between union leaders and rank-and-file members. The fact that both sets of workers maintained almost daily protest activity for the duration of the disputes is evidence of both CTSWF's and SPMS's internal unity and strength. Moreover, both unions received substantial financial contributions from their transnational allies, which helped compensate for a lack of strike funds and sustained local-level activists who otherwise would have been unable to support themselves and their families. Internal organization and access to resources thus did not vary much between the cases and cannot explain their dissimilar outcomes.

A second possibility is that institutional context – or, more broadly, the political opportunity structure – was somehow more conducive to campaign success in Cambodia than in

Indonesia. Yet in neither country were industrial relations institutions or other means of conflict resolution particularly conducive to upholding workers' rights. Despite the adoption of new labor laws, ILO conventions, and other political reforms, local and national institutions in both countries offered, at best, minimal protection of workers' rights, and, at worst, a means through which employers could continue to pursue repressive practices.

In Indonesia, *reformasi* politics and persistent international pressure had swept in a wave of labor reforms that restored workers' rights to freedom of association and collective bargaining (Caraway 2004). Unions nevertheless faced the reality that remnants of New Order politics still permeated certain aspects of labor relations. Despite the Habibie administration's ratification of ILO Convention 87 on Freedom of Association and Protection of the Right to Organize in June 1998, and the Wahid government's passing of the relatively progressive Trade Union Act in August 2000, serious violations of workers' rights still occurred. In early 2001, ILO Executive Director Kari Tapiola publicly criticized Indonesia for failing to implement fundamental ILO principles (*The Jakarta Post* 1/12/01). This de facto persistence of earlier labor practices, despite de jure changes in national industrial relations institutions, demonstrates how "radical change in structures may co-exist with the unchanged behaviours of actors whose thinking is deeply rooted in pre-existing institutional ideas" (Rupidara and McGraw 2010: 614).

In Cambodia, labor rights were likewise still new on paper and even more so in practice. Although the 1993 Constitution includes articles on freedom of association and the right to strike and hold non-violent demonstrations, these provisions do not reflect reality for most Cambodian workers (Adler and Woolcock 2009: 169-170). Something similar could be said about the 1997 Labor Law, which was created under the guidance of American trade unions and the ILO. Though the code covers working hours, health and safety, dismissal procedures, dispute

resolution, and the right to form unions and bargain collectively, these rights have not been well-enforced (Hiatt and Greenfield 2004: 55; Adler and Woolcock 2009: 170), nor have ILO conventions 87 and 98 on freedom of association and the right to collective bargaining, which the government ratified shortly after adopting the 1997 code (Adler and Woolcock 2009: 171). Hence, despite these changes, unions in Cambodia remain disadvantaged by the structure of national and local institutional arrangements.

The court systems in both countries were especially problematic for both sets of hotel workers. Legal proceedings in Indonesia and Cambodia were, to varying degrees, prone to inefficiencies, opacity, slow progress, high costs, and corruption, which greatly reduced the viability of court-based strategies for hotel workers in the Shangri-La and Raffles campaigns. In other words, the legal system did not afford local workers much capacity for institutional power. The situation was different for the employers, whose greater financial resources and political connections rendered court-based strategies not only viable but actually preferable for resolving labor disputes. As such, both sets of hotel managers attempted to channel conflict through the local and federal court systems (a strategy discussed in greater detail below).

It is clear that workers did not have any institutional advantages over management in either country. Nor did the employer in either country have unique advantages over the workers. Therefore, differences in domestic institutional context cannot explain why the Raffles workers fared better than those at Shangri-La.

A third domestic-level explanation for the two cases' divergent outcomes is the level of local protest sustained by workers at the hotels. Can the different outcomes be explained by more effective local protest actions in Phnom Penh and Siem Reap than in Jakarta? Evidence suggests

that neither group of workers had any particular advantage over management when it came to local mobilization.

In Indonesia hundreds of SPMS members protested outside the hotel several times a week to highlight the hunger and suffering caused by the mass dismissal (*The Jakarta Post* 1/26/01). On May 1, 2001, SPMS members, joined by workers from the Sheraton Bandung, Hyatt Regency, Grand Hyatt, Holiday Inn, and other hotels, led a sit-in outside the Jakarta Central Court (*Workers Online* 5/4/01). “There were more than 2,000 workers here chanting slogans to a perfect rhythm, singing, handing out flyers about their struggle to the public” (*Workers Online* 5/18/01). These local protest actions generated considerable public sympathy; however, local support would not be enough to restore the fired workers’ livelihoods. Three months into the dispute, according to FSPM advocacy chairman Hamonangan Saragih, “as many as 570 employees of the Shangri-La have not been paid” (*The Jakarta Post* 3/14/01). With starvation looming, the fight became, for many, “a matter of life and death” (Jagath Bandara, AMWU, interview, 11/8/11).

In Cambodia, protestors likewise assembled daily in front of the hotel buildings as well as along the street and in a nearby park. Scores of workers held signs and distributed leaflets near high-traffic tourist attractions (Sao Vanthein, Raffles Le Royal union president, interview, 5/14/11). At one point over 300 workers, some arriving in solidarity from the nearby Pansea and Sofitel Royal Angkor hotels, rallied outside the Raffles Grand in Siem Reap to demand reinstatement for those dismissed (*Cambodia Daily* 5/25/04). Nevertheless, constant picketing took its toll on the workers. In Siem Reap workers sustained themselves and their families by fishing in the river by the hotel. “There was no strike fund, so it was essentially people figuring out how to survive during the months they were locked out,” explained Solidarity Center Field

Director Alonzo Suson (interview, 12/15/11). Royal union president Sao Vanthein put it bluntly: “Poor workers and their families will die if this dispute lasts any longer” (*Cambodia Daily* 5/13/04).

In both Indonesia and Cambodia, workers were able to sustain their local protest activities. Both sets of workers also faced increasingly desperate conditions, as local protests failed to change management’s behavior. Levels of local protest activity thus cannot account for the two cases’ different outcomes.

A final domestic-level explanation centers on the strategies managers at the Shangri-La Hotel and the two Raffles hotels used to counter the workers’ campaigns. Did management have an upper hand in the Shangri-La dispute or employ a more sophisticated strategy than that used by the managers at Raffles? Again, the evidence shows that this domestic-level variable cannot explain why the Shangri-La workers failed while the Raffles workers succeeded.

As will be described in greater detail below, both sets of hotel workers sought to “re-scale” conflict to the international level. Conversely, the managers of the hotels strove to do the exact opposite: restrict the scope of conflict and ensure that the disputes played out only on the local and national scales. In particular, because Indonesian and Cambodian legal institutions tended to give employers an advantage over workers – whether because of judges’ overt biases or simply the slow and financially draining nature of the legal process – managers in both cases intentionally steered conflict into the courts.

In the Indonesian case, it clear from the start of the Shangri-La dispute that management sought to channel it through formal conflict resolution bodies to rule on the legality of the mass dismissal and the workers’ subsequent protests. Pointing to the workers’ “illegal occupation” of the hotel in late December, Shangri-La Indonesia-Fiji General Manager Peter J. Carmichael

characterized the dispute as first and foremost “a legal matter” (*The Jakarta Post* 1/6/01), while the dismissal letter sent to workers in early January made reference to “acts . . . which could be classified as criminal” and therefore best dealt with by legal authorities. Nonetheless, SPMS maintained that their protests had been peaceful and lawful. Despite the recommendation made by the House of Representatives’ Commission VII for Population and Welfare Affairs that management postpone the dismissals in order to hold further discussions with SPMS and the Ministry of Manpower, Shangri-La managers chose instead to secure termination permits through P4P and file a lawsuit against the workers in court. As justification for this course of action, Shangri-La Asia Chief Operating Officer John Segreti stated simply, “We regret that we cannot sacrifice our principles and our legal rights” (*The Jakarta Post* 1/24/01).

Raffles managers also attempted to channel the conflict through the court system. Although the Cambodian Arbitration Council might have complicated the institutional landscape, Raffles’ managers were able to simply ignore its rulings and even deflect public criticism for doing so by continually pointing out the legally non-binding nature of the AC’s decisions. Hence, after the AC ruled on 8 June, 2004 that Raffles Le Royal illegally locked out 97 employees with the “clear intent” of destroying the union and ordered Raffles to reinstate the dismissed workers (*The Cambodia Daily* 6/9/04),⁷ managers predictably rejected the AC’s ruling, and the decision, now non-binding, became legally unenforceable (*The Cambodia Daily* 6/15/04). Emphasizing the legality and fairness of its approach to the service fee issue, Raffles argued that its employees already earned much higher wages than other workers in Cambodia; hence, allowing employees to directly receive the 10 percent gratuity would create a destabilizing disparity among Cambodian citizens overall. Raffles Hotels and Resorts Managing

⁷ The Council would later issue a similar ruling regarding the incident at the Raffles Grand.

Director Markland Blaiklock added, “Our commitment is to pay [our workers] a fair wage in the country in which they are based. The wages are indeed fair” (*Agence France Presse* 5/25/04).

In addition to invoking legal arguments and the authority of judicial institutions, hotel managers in both Indonesia and Cambodia also utilized heavy-handed tactics to disrupt the workers’ campaigns. As with the court-based strategies, employers aimed to restrict the scope of conflict to the local scale. In the both cases managers hired private security guards to break up demonstrations and, in the Raffles case, ransack the local union’s offices.

The Shangri-La management often relied on police and private security forces to disperse crowds of demonstrators. On March 17, 2001, the Shangri-La Hotel reopened with replacement staff and several security officers provided by the city. That afternoon, over 300 headband-clad workers arrived at the hotel, chanting and waving banners. As the protest spilled off the sidewalk and onto the road, police intervened with rattan sticks (*The Jakarta Post* 3/18/01). According to a statement from one of the workers present, SPMS members “were assaulted by police. Multiple injuries were inflicted, including a woman worker who suffered a miscarriage.” Senior hotel manager Wastu Widanto expressed regret about the “unfortunate and disappointing action taken by the striking workers,” which “highlights the lack of respect for the legal processes and laws of Indonesia” (*The Jakarta Post* 3/18/01).

In the Raffles case local managers met union militancy with direct retaliation. According to the *Financial Times*, the leader of the union at the Raffles Grand Hotel was explicitly threatened, and workers reported instances of Cambodia’s “much-feared elite police unit” visiting the homes of union leaders (*Financial Times* 5/28/04). On May 7, 2004, several men entered the union office at the Grand and destroyed several documents. Union leader Pat Sambo “watched as his union office on the hotel’s premises was looted and government documents,

establishing his union as the sole representative of the workers, were stolen” (*The Cambodia Daily* 5/10/04). According to witnesses, the hotel’s personnel manager personally took charge of the incident.

Management strategy did not vary significantly across the two cases. Both sets of managers pursued remarkably similar strategies in their attempts to restrict the scope of conflict to the local scale by taking advantage of their relatively strong position in the local court systems. Both Shangri-La and Raffles managers also succeeded in thwarting the hotel workers’ efforts to resolve these disputes through local protest actions.

Overall, it is clear that both sets of workers faced equally difficult conditions on the domestic level. Domestic variables thus cannot explain why the Cambodian workers won their campaign while the Indonesian workers did not. I argue below that the key difference between the two labor campaigns came down to the international-level power strategies of the TLAs.

Contrasting Transnationalisms

Gaining little traction at the local level, both sets of hotel workers reached out internationally to form transnational labor alliances. Through its affiliation to the union federation FPSM, SPMS contacted the IUF⁸, a global union federation with a history of assisting then-illegal independent unions in Indonesia during the Suharto years (Goss, interview, 4/19/11). The IUF actively supported the Shangri-La workers by donating funds, communicating with the ILO, and bringing the dispute to the attention of its hundreds of trade union affiliates around the world, who staged demonstrations on the hotel workers’ behalf. The Raffles workers likewise reached out to international allies. Their union, the CTSWF, had close ties to the Solidarity

⁸ The International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations (IUF) is a Geneva-based global union federation (GUF) for workers in agriculture and plantations, food and beverage manufacturing and preparation, tobacco processing, and hotel, restaurant, and catering services. The IUF currently comprises 336 trade unions from 120 countries. At the time of the Shangri-La dispute, the IUF comprised 334 unions from 120 countries (<http://cms.iuf.org/?q=node/149>).

Center, a nonprofit organization closely affiliated with the AFL-CIO. “CTSWF was created with [the Solidarity Center], and we worked under them, while they worked closely with the AFL-CIO,” explained Raffles Grand Hotel union president Pat Sambo (interview, 5/16/11).⁹ Like the IUF in Indonesia, Solidarity Center staff provided funding for the campaign and helped coordinate dozens of solidarity rallies around the world.

At first glance both TLAs appear to have used very similar tactics. Both the Shangri-La and Raffles campaigns entailed significant efforts to channel conflict onto the international scale through rallies and demonstrations, mass e-mailing and letter-writing, and other acts of protest. What distinguished Shangri-La from Raffles, however, was the type of power strategy workers ultimately used. Specifically, *structural power* became a central feature of the Shangri-La campaign when SPMS’s allies in Australia threatened to physically halt construction at developments in Melbourne, Australia if the owners of the Shangri-La hotel were to be awarded a valuable contract there. In contrast, the Raffles TLA exercised *coalitional power* by enlisting the assistance of actors outside the realm of industrial relations, particularly potential customers of the Raffles hotel chain. Below I show how differences in the context-appropriateness of these two power strategies led to different outcomes in the two campaigns.

Structural Power in the Shangri-La Campaign

Of the Indonesian workers’ many transnational allies, unions in Australia played the most prominent role. Australian unions’ involvement in the Shangri-La campaign included sending out media alerts, coordinating mass letter writings, and staging rallies around Australia. A member of the Liquor, Hospitality, and Miscellaneous Workers’ Union (LHMU) also visited Jakarta to deliver a donation to SPMS, tour other Indonesian hotels to build support for the

⁹ Also known as the American Center for International Labor Solidarity (ACILS), the Solidarity Center was established in 1997 (<http://www.solidaritycenter.org/content.asp?pl=409&contentid=409>).

campaign, and personally participate in the workers' local protests (Jagath Bandara, AMWU, interview, 11/8/11). Every Australian union affiliated with the IUF donated funds to support the campaign, and, through organizations such as Unions New South Wales, even unions not affiliated with the IUF participated in protests outside the Shangri-La offices in Sydney (Sarah Gardner, former IUF staff, interview, 11/1/11).

The boldest action Australian workers took was the builders' union's threat of industrial action at a construction site tipped to be bid on by a company from the Kuok Group, which owns and manages the majority of Shangri-La hotels. The Kuok Group had tendered the government of the state of Victoria to build a hotel, a residential facility, and several shops and restaurants in the Docklands area of Melbourne. Worth AU\$1.8 billion dollars, the contract was so important that Robert Kuok himself visited Melbourne to view the proposed site in mid-February of 2001 (*Workers Online* 2/19/01).

Aware of the development bid, and despite the potentially serious consequences of violating secondary boycott laws, the Victorian Building Workers Union, in April 2001, demonstrated their solidarity with SPMS by publicly threatening a construction ban in the event that the Kuok Group won the Docklands contract without first ensuring the reinstatement of the workers in Jakarta. According to one news source,

Australian unions have said that until the company resolves its problems with the independent hotel union members in Indonesia, no hotels will be built . . . at the Melbourne Docklands. In solidarity with the locked out Shangri-La workers, the Victorian Building Workers Union publicly stated that it would boycott the building project if it were awarded to Robert Kuok (*Asia Monitor Resource Centre* 4/3/01).

Another source reported,

Australian construction unions, as an act of solidarity with the hotel workers . . . threatened bans if Mr. Kuok's company won the project. . . . The construction workers in Melbourne told the State Government there they would not work co-operatively with the Shangri-La group if they won the project because of the continuing dispute in Jakarta.

Victorian unions, backed by the ACTU, lobbied strongly to stop Mr. Kuok winning the tender (*LaborNet* 4/12/01).

While it is not possible to verify definitively that the union's statement influenced the proceedings of the contract bid, there is evidence that the threat of a building ban had an impact. On April 12, 2001, *The Age* reported that the Victorian Docklands Authority denied Kuok the billion dollar contract, awarding it instead to Lend Lease, a company known for its co-operative relationship with Australian unions. Nevertheless, the government of Victoria would not comment on why Kuok did not win the bid. In any case, it was a lucrative contract to have lost.

Yet remarkably, although the company lost the valuable development bid, the incident failed to faze hotel managers back in Jakarta, who continued to use violent intimidation tactics to induce attrition among the protesting workers at the local level. Even the Kuok Group did not appear excessively concerned about losing the Docklands bid, especially since Kuok later won another (albeit less valuable) contract in Melbourne the following year. Hence, although the company had lost the more valuable contract in 2001, this new, \$700 million development contract, awarded to the Kuok Group officially in May 2002, was both a financial and a symbolic victory for Shangri-La. The TLA's use of structural power in the form of Australian workers' threat of industrial action was thus, at most, a minor nuisance. This short-term disruption in profits did not endanger Shangri-La's long-term viability, so structural power could not win the campaign.

SPMS members remained mired in court proceedings for nearly all of the rest of the year. Finally, in mid-December, 2002, the Supreme Court ruled in favor of the Shangri-La Hotel management, officially authorizing the firing of all remaining protesters and declaring illegal their occupation of the hotel in December 2000 (*The Jakarta Post* 12/21/02). The Shangri-La workers' campaign thus ended in defeat. All 561 workers – nearly the entire unionized

workforce at the Shangri-La Hotel, Jakarta – lost their jobs. Unemployment posed a problem for even those workers who, by the end, did not wish to resume their former positions at Shangri-La. Many of these workers were blacklisted and could not find work at other hotels or even other businesses in Jakarta for years after the dispute ended. Some former Shangri-La workers moved to other cities and even other regions to find new jobs. “Their lives were disrupted. Some had to go back to the villages” (Gardner, 1/1/11). The final settlement between the workers and Shangri-La stipulated that both parties terminate all legal actions as well as the “examination of the Shangri-La case at the international level” by the ILO and the IUF. The workers and their allies are not allowed to discuss the campaign publicly, and the IUF has deleted all references to the Shangri-La campaign from its website.

Coalitional Power in the Raffles Campaign

Interestingly, the Shangri-La TLA had continued to fall back on protests, rallies, and demonstrations, both locally and internationally, throughout the duration of their two-year, three month-long campaign – despite these tactics’ apparent ineffectiveness. A similar dynamic played out with the TLA centered on Raffles, as managers remained recalcitrant despite attempts by the workers and their transnational allies to exercise structural power by physically disrupting the company’s operations through on-site protest activities. The TLA also tried using transnational leafleting, demonstrating, and internet-based campaigning to elevate awareness of the conflict to the international scale. Unless the TLA could transform public support into tangible leverage, however, simply spreading awareness would do little more than allow the dispute to devolve into a tedious public relations war.

“I went to Cambodia in May [2004],” recalled one Solidarity Center organizer. “The campaign was actually going downwards, and so we had essentially to revitalize the campaign.

The reason it was dying down was because the workers essentially were just doing the regular strike thing, standing in front of the hotel and camping in the parks. . . . See, the model was the garment [industry]. In the garment model, with on-time delivery – basically, you stop the delivery of goods and you create a lot of financial loss for management. Then you have management that would settle for a lot of things . . . because this garment has to be delivered. . . . But we were now realizing that the hotel is just a totally different animal. They can withstand, as Raffles has shown, long periods [of striking and protests]. . . . They hire a scab, do some training, you have a certain buffer . . . So they could take a loss for a long time (Alonzo Suson, interview, 12/15/11).

This revelation marked a major turning point in the workers’ campaign. Suson’s reference to the garment industry as the original strategic model for the Raffles campaign is especially telling. His comment that the time-sensitive nature of garment manufacturing allows labor to “stop the delivery of goods and . . . create a lot of financial loss for management,” whereas hotels can “have a certain buffer” summarizes exactly why the use of *structural power* is only an appropriate strategy in certain situations. Simply put, Suson and the other members of the TLA consciously realized that structural power – the physical disruption of an employer’s operations – does not work well in the hotel industry, and this realization prompted the alliance to switch to a different power strategy. Rather than just physically disrupt Raffles’ operations in the short term, whether in Cambodia or abroad, the TLA would target the company’s core, long-term interests. This meant not only inflicting further financial damage but also, crucially, attacking Raffles’ image and reputation.

Hence, with help from the Solidarity Center, the hotel workers redoubled their efforts at increasing public awareness locally and abroad. “We started looking for tourists coming in and reaching out to tuk tuk drivers. . . . We made sure the media followed up” (Suson, interview, 12/15/11). Pat Sambo, union president at the Raffles Grand, elaborated: “We distributed leaflets to all tourist place [sic], at least 250 to 300 pieces per day. Then we sent to the IUF and SEIU more [leaflets] than ever. At that time, the IUF invited us – two person [sic] each from Hotels Le Royal and Grand – to do the campaign in Europe and especially the USA” (interview, 5/16/11).

In contrast to the campaign's earlier international activities, the TLA emphasized neither the physical disruption of the hotel chain's operations nor the mere shaming of the hotel owners into conforming to certain values or international norms. Rather, the TLA called on their international supporters to take specific actions that would threaten the long-term viability of the Raffles brand name. The workers thus pursued a new strategy based on coalitional power – specifically via the mobilization of influential actors beyond the labor movement who had the capacity to threaten serious damage to Raffles' long-term reputation and profitability..

Leveraging the influence of non-labor actors required connections beyond those the Cambodian unionists personally possessed. Americans, through the Solidarity Center, proved essential in helping the hotel workers expand the scope of conflict and exercise coalitional power. With its ties to the AFL-CIO and funding from the US government, the Solidarity Center was well-equipped to persuade key political leaders to support the workers' cause. These efforts culminated in a high-profile boycott of the Raffles Royal and Grand hotels.

“Cambodia is emerging from decades of chaos and tragedy that literally destroyed the basic institutions of society,” reads an open letter written by TLA members. “Two union leaders have been murdered this year and many others . . . have reportedly been beaten, threatened, fired, and intimidated. . . [while workers are still] earning just a dollar a day” (quoted in *US Fed News* 7/16/2004). Noting that Cambodia's annual per capita GDP “is close to the cost of a luxury Raffles suite . . . for one night,” an IUF bulletin referenced the blatant disparity between wealthy tourists and the average Cambodian citizen (IUF 7/6/04). A segment broadcast on National Public Radio in the US likewise alluded to the injustices of economic inequality. As NPR's Michael Sullivan explained, “That 10 percent tacked onto the hotel bill might not seem like much, especially to guests paying \$250 a night, but it's a fortune here in Cambodia where the

average worker is lucky to earn \$50 a month.”¹⁰ At a press conference outside the Royal, union leader Sao Vanthein continued to emphasize that “the workers are facing poverty, and it is difficult for them to support their families. This is poverty caused by the hotel” (*The Cambodia Daily* 6/21/04).

Support for the labor campaign flooded in from American political figures. The Washington, D.C.-based International Republican Institute (IRI) was among the first organizations to take a stand against Raffles. IRI country director Jackson Cox explained, “We felt we had to stand up because it is a clear case of right and wrong. Everyone I’ve talked to in the international community is disappointed and looking to take their business elsewhere” (*The Cambodia Daily* 5/11/04). Cox reiterated his sentiments at a press conference, announcing: “I am here to encourage the international community to continue to boycott Hotel Le Royal. Right and wrong in this case is, of course, clear. You are right and Raffles is wrong” (*The Cambodia Daily* 6/21/04). Also prominent in the campaign was US Representative George Miller who, after a visit to Cambodia, called on the United Nations, the International Monetary Fund, the World Bank, and the Asian Development Bank to cease patronizing the Raffles hotels in Phnom Penh and Siem Reap. In a letter to World Bank president James Wolfensohn, Miller argued that the “continued use of Raffles hotels by World Bank employees serves to undermine the development and strengthening of those fundamental democratic institutions which are at the core of the World Bank’s agenda in Cambodia and around the globe” (*US Fed News* 7/16/04).

The US Embassy declined to hold its July 4 reception at the Raffles hotel in Phnom Penh and publicly encouraged delegations to stay elsewhere. Cambodian and foreign tourists also declined to book rooms with Raffles. In early August, three trade union centers in Russia,

¹⁰ The full NPR broadcast is available at: <http://www.npr.org/templates/story/story.php?storyId=3854503>

collectively representing 35 million workers, sent a joint letter to the Russian Ambassador to Cambodia, urging the Embassy to avoid the Royal and the Grand. (*Asian Food Worker* 8/4/04). Unions and political officials sent similar letters to the embassies of Australia, Austria, India, South Korea, and the Philippines.

“The boycott seems to be hurting,” remarked a diplomat from Singapore, Raffles’ home country, adding, “It is so sad. . . Le Royal is bleeding . . . It is our biggest investment in Cambodia” (*Far Eastern Economic Review* 7/8/04). While Raffles might have been able to sustain some short-term financial losses, the company would not have been able to endure long-term financial losses due to a damaged reputation. Hence, six months after the start of the original dispute, Raffles acquiesced under mounting pressure from increasingly bad publicity activated through the labor alliance’s coalitional power.

The outcome was an unambiguous win for the workers. On September 12, 2004, CTSWF President Ly Korm, representatives of the two unions at Raffles Le Royal and Grand d’Angkor, the two hotels’ general managers, and Raffles Global Group Human Resources Director Han Hun Juan signed an agreement to reinstate 80 percent of the fired employees and pay 75 percent of their wages backdated to April 11, 2004. The remainder of the dismissed workers would receive full severance pay, 100 percent of back wages, and first priority in the hotel’s next hiring round. Raffles also agreed to reinstate the service fee and distribute the funds directly to the employees (IUF 9/15/04). “We are very happy to reach an agreement,” CTSWF President Ly Korm stated, “and look forward to a constructive relationship with the hotels” (IUF 9/15/04).¹¹

“My personal opinion is the outcome for this campaign is a great achievement,” Raffles Le Royal Hotel union leader Sao Vanthein stated in an interview (5/14/11), adding that both his

¹¹ In 2005 Raffles merged with Fairmont Hotels and Resorts Inc. to become Fairmont Raffles Hotels International. Today the company owns and manages 98 hotels around the world under the Raffles, Fairmont, and Swissôtel brands (<http://www.raffles.com/about-raffles/history/history/>).

and the other union's "relationship with management [is] much, much better if compare [sic] from the past." Pat Sambo, his counterpart at the Raffles Grand, concurred. "Both unions at Raffles in Phnom Penh and Siem Reap still remain the same, unchanged, and we can manage our members. Yes, I consider that a success, the same as my colleagues" (interview, 5/14/11). Solidarity Center organizer Jason Judd likewise agreed that the campaign yielded positive results for the workers: "Nothing was left unresolved" (interview, 5/4/11).

Discussion

Between late 2000 and early 2004, two very similar transnational labor alliances emerged in response to similar disputes at five-star hotels in Southeast Asia. In the Shangri-La case, a seemingly well-orchestrated, well-resourced, and strongly supported campaign not only failed to win workers' jobs back but also ended with the dissolution of their local union. In contrast, employee reinstatement, renewed collective bargaining, and full union recognition resulted from the considerably less lengthy yet equally well-run Raffles campaign. Why were the Raffles workers so much more successful?

Surface-level similarities often obscure significant variation between cases. With respect to the two TLAs analyzed above, I have argued that these cases' differing outcomes can be explained primarily by the strategic interactions of the actors involved. Specifically, the Shangri-La TLA relied mainly on *structural power*, which failed to faze local hotel managers, whose court-based strategy meanwhile forced workers to focus their attention on the local scale. In contrast, the use of *coalitional power* by the Raffles TLA on the international scale succeeded in threatening the core, long-term interests of Raffles Hotels and Resorts, which, for its part, failed to restrict conflict to local and national institutions. Crucially, the wide-scale boycott launched by the TLA's coalition not only cost the company a considerable amount of money but also

threatened future profits by hurting its reputation. A cascade of negative publicity – including pro-worker commentaries in the *Financial Times* (UK) and on National Public Radio (US) – amplified these effects. Observers noted that “the dispute was very costly to the Raffles brand” (Adler and Woolcock 2009: 182), a “public relations disaster” (*Agence France Press* 9/13/04), and “a major embarrassment for Raffles” (*World Markets Research Centre* 2004).

This is not to suggest that Shangri-La did not have an equally valuable brand to protect. “Robert Kuok was painted as an enemy,” explained one campaign participant, “and if he hadn’t had a brand to hurt, we would have had very few leverage points” (Sarah Gardner, former IUF staff, interview, 11/1/11). It would also be inaccurate to suggest that the Shangri-La campaign lacked public support. Marches, speeches, rallies, and the Solidarity Café all served to garner public sympathy; the Shangri-La dispute in fact became “the most visible and best-publicized industrial dispute in Indonesia” (*Workers Online* 7/5/02). According to one campaign participant, local support came “not only from other unionists but also other parts of society like artists, newspapers, filmmakers. . . . [The] Shangri-La case is very popular because it’s the biggest fight in the early post-Suharto era” (Hemasari Dharmabumi, IUF representative, interview, 3/5/12). Nevertheless, while the Indonesian public was generally supportive of the workers, most individuals outside the labor movement were hesitant to participate directly in the campaign. Moreover, in terms of *international* support, the Shangri-La campaign did not extend much beyond the labor movement. Consequently, the labor alliance failed to exercise coalitional power and could not threaten any serious damage to Shangri-La’s global brand.

Evidence suggests that the Shangri-La workers had the capacity to exercise coalitional power – had they chosen to do so. The fact that four SPMS executives visited the US and spoke at a panel organized by the United States-Indonesia Society, which subsequently relocated its

200-person dinner away from the Jakarta Shangri-La, suggests that avenues to active coalitional support were indeed open. Certainly, this counterfactual exercise tells us little about whether or not leveraging the power of actors outside the labor movement would have guaranteed success in the Shangri-La campaign; nevertheless, there is evidence, at least, that the Shangri-La alliance could have chosen a more context-appropriate strategy.

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