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11.1 INTRODUCTION

This chapter aims to address two interrelated questions which are often raised in debates regarding the contribution of International Framework Agreements (IFAs) to promoting collective bargaining and sound industrial relations: what is the impact of IFAs in terms of enlarged possibilities for collective bargaining and sound industrial relations at various levels (holding company, national/local and cross-border)? And under which conditions would IFAs be more effectively implemented?

The chapter is structured as follows: section 11.2 describes the rationale of IFAs, their main characteristics, and presents relevant data and theoretical perspectives on their expected impact. This section also discusses certain industrial relations aspects inherent to IFAs. Section 11.3 presents evidence on the possible effectiveness and impact of IFAs at the enterprise, plant/local and cross-border levels, notably in terms of: (a) the implementation of provisions of IFAs; (b) the promotion of sound industrial relations between the parties to the agreement; (c) the provision of a framework for workers to organize at plant and local levels; (d) the facilitation of dispute resolution; and (e) the establishment of a framework for sustainable industrial relations, including times of restructuring. This section also examines the related issue of the role of IFAs in promoting worker solidarity across borders. The conditions necessary for IFAs to realize their potential as effective elements of a cross-border industrial relations system are highlighted in the conclusion.
11.2 RATIONALE AND MAIN CHARACTERISTICS OF IFAs

One of the main features of globalization is the increasing flow of foreign direct investment (FDI) to developing countries. These flows are driven by multinational enterprises (MNEs) operating in the developing world, as well as their affiliates and suppliers, which are part of cross-border production lines or global production systems.

An in-depth analysis of the increasingly integrated and complex global production system of MNEs lies beyond the scope of this chapter. For the purposes of this chapter, it may suffice to note that global production systems are expected to play an important role as channels for employment and income generation and technology transfers. However, debates on global production systems also raise a number of concerns as to the extent to which workers can access the full range of promised benefits (for an overview of the debate see Hayter, 2004; Hepple, 2005; and Posthuma, 2009). The growing trend of outsourcing of global production (which further distances MNEs from the workplace and breaks down direct employment relationships), combined with incentive competition between developing countries aimed at attracting FDI, may induce these countries to go too far in lowering regulations, taxes, environmental protection and labour standards (WCSDG, 2004, p. 34, para. 162 and p. 86, para. 389).

In the absence of effective implementation of national labour regulation in many parts of the world, or of balanced multilateral rules to govern FDI, these trends may be exacerbated. Not only may the rights of workers involved in global production systems deteriorate, MNEs may also face serious reputation problems and find themselves under increasing scrutiny by local and global unions, NGOs, communities, and consumer groups.

Being cross-border in nature, global production systems by definition surpass the scope of traditional, nationally embedded regulation and action of social actors. This suggests that other complementary forms of (self-)regulation must be developed in an international context. IFAs may constitute one form of such self-regulatory initiatives at the cross-border level.

IFA Characteristics

An IFA is an instrument negotiated between a multinational enterprise (MNE) and a Global Union Federation (GUF) in order to establish an ongoing relationship between its signatories and to ensure that the company respects the same labour standards across all countries in its global production system. By July 2010, 80-plus IFAs had been signed
between MNEs and GUFs and the pace of adoption averaged nine agreements per year since 2003.\footnote{1}

IFAs represent one type of voluntary initiative. Others include management-driven initiatives, such as Corporate Social Responsibility (CSR) Codes, multi-stakeholder initiatives, label and certification schemes (for example, Social Accountability – SA8000, Fair Labour Association – FLA, Ethical Trading Initiative – ETI) and private/public initiatives (for example, UN Global Compact; European CSR Alliance). Even though IFAs are more scarce than the other voluntary instruments, they represent a significant evolution in relation to earlier initiatives because they have the important industrial relations dimension of being negotiated instruments signed with GUFs.

IFAs are a promise to make genuine efforts to implement internationally recognized labour rights even in contexts where such rights are imperfectly implemented. IFAs make direct reference to ILO fundamental standards, especially in the areas of freedom of association/collective bargaining, non-discrimination, child labour and forced labour. They also address important labour-management issues regarding employment, wages and working time, health and safety, training and restructuring.

IFAs set machineries for joint monitoring and follow-up. MNEs and trade unions concerned with such agreements usually commit themselves to actively promote the agreement and in particular, inform their members and subsidiaries, suppliers, contractors and subcontractors in the various countries of operation about its existence. Several IFAs aim to bind not only the MNE, but also its suppliers with varying degrees of commitments (ranging from simply “informing the supplier” to “mandatory for supplier”). Many also include mechanisms to give the GUF the possibility to seek recourse if the MNE or a company with which the MNE is associated, violates the terms of the agreement. In such instances, the case could be taken up to higher management levels, and eventually to the MNE’s headquarters and its CEO, in order to find solutions through social dialogue.

In summation, the core objective of IFAs is the recognition that the MNE and its workers will engage in social dialogue to address issues of concern to both sides and to establish a sound industrial relations system (as opposed to CSR instruments which usually represent a management pledge that the company will address public concerns by adjusting its internal governance unilaterally).

From a GUF perspective, IFAs are the outcome of a coordinated bargaining strategy within MNEs. The idea of coordinated bargaining was spelled out as early as 1972, notably by Levinson (1972). It implies that all unions with collective bargaining rights within the plants of a given company should conform their demands and bargaining strategy jointly
to achieve greater negotiating power during collective bargaining with the management of the holding company. The best example of this strategy is the establishment of World Work Councils (WWCs) or World Employee Councils (WECs) in industries such as automobiles, food, chemicals, and electronics, which were the first targets of global labour campaigns (Da Costa and Rehfeldt, 2008). While WWCs or WECs were unable to generate “global collective agreements”, they function as global fora for the exchange of information and dialogue between employee representatives and management to give information and a say to the global labour force of a company during trans-national decision-making processes (Müller and Rüb, 2005).

While very little progress was made in the 1980s in the area of cross-border workers’ organization and coordinated bargaining, the IFAs reached since the mid-1990s revitalized this strategy. Indeed, several IFAs relied on WECs for their implementation (for example, SKF in 1995, Statoil in 1998, Volkswagen in 1998, Renault in 2000, DaimlerChrysler in 2002, ENI in 2002 and PSA Peugeot in 2006) or even on regional works councils (for example, EDF’s Works Council for Asian countries). In some multinationals, such as Danone or PSA Peugeot, European Works Councils structures were extended to include representatives of global unions. Some WECs have gone beyond their original mandate confining them to information sharing and played a negotiating role. For example, the WECs of Daimler Chrysler blocked an attempt by management to shift production to Germany and Brazil after a strike in the South African operations (Wick, 2005).

These developments may have been facilitated by developments in the European Union (EU). In fact, there is a strong link between institutionalized industrial relations at the EU level and IFAs. Not only are most companies that adopted IFAs of European origin, but also there is a strong link between IFAs and one of the most important EU workplace institutions, the EWCs. According to an EU Directive, EWCs are information and consultation structures which companies may be requested to establish (European Council, 1994) when they have more than 1000 employees within the EEA (EU plus Norway, Iceland and Lichtenstein) and at least 150 employees in more than one Member State. They are often involved in the negotiation of IFAs and approximately one third of IFAs involve EWCs as initiators/negotiators/co-signatories (see Papadakis, 2008, pp. 264–88). They also function as de facto platforms for the follow-up and monitoring of IFAs.

For the time being, the coverage of IFAs is rather limited. Only some 6 million workers are covered by IFAs (excluding workers employed by sub-contractors and suppliers) out of roughly 77 million workers worldwide (according to UNCTAD, 2009) who are believed to be employed by
MNEs. Furthermore, outside the EU, these instruments are perceived as a European phenomenon which is culturally specific and would be costly to implement. Most of the companies that have IFAs originate in the EU. Only 14 out of the 80-plus IFAs have been signed by companies that have their headquarters in the USA, the Russian Federation, New Zealand, Australia, Canada and South Africa, Japan, Malaysia, and Indonesia.

A previous study by the author shows that at least two factors need to be present for IFAs to be signed outside of the EU context. They are: (a) sufficient pressure by unions and civil society to “export” the trust between management and unions prevailing in the home country of the MNE to the countries of its subsidiaries and suppliers; and (b) company leadership that expects to benefit from openness and communication with global unions in times of industrial change in the context of rapid business expansion across the globe (Papadakis, 2009).

IFAs are absent from certain important sectors, notably “buyer-driven” industries in which MNEs tend to disassociate themselves from the manufacturing stage. For instance, the textile, sportswear and apparel industry is notorious for its “anti-union” environment characterized by little or no disclosure of suppliers and a difficulty in organizing locally, let alone trans-nationally (Miller, 2008). A significant exception in this regard is the conclusion in 2007 of an IFA by the Spanish Inditex (see pp. 287–90). The situation appears to be even more complicated in the electronics industry where according to some there are few or no real prospects for an electronics MNE to sign an IFA (Holdcroft, 2009, p. 7).

Finally, the duration of most IFAs ranges from one to five years, or for the vast majority, for an indefinite period. The majority of the agreements reached by July 2010 were fully open. Many specify that IFAs “ought to be reviewed and updated regularly” to improve them in light of the experience acquired during their implementation. There are examples of the effective application of such clauses, the most recent being the renegotiation of ICEM’s framework agreement with the German-based Freudenberg, which included a “clause of neutrality on union organizing”.2

Before being totally replaced by a new agreement following the restructuring of the company (see pp. 294–5), the Statoil agreement was similarly renewed, improved and updated in March 2001, in August 2003, and in June 2005. On the contrary, other agreements, such as the Anglo Gold Ashanti–ICEM agreement, are never renegotiated and remain dormant.3

**Industrial Relations Nature of IFAs**

The above-mentioned characteristics of IFAs generate hope among policy makers and academics that such instruments might serve to promote a
sound industrial relations framework at enterprise, local and cross-border levels, notably by upholding fundamental principles of freedom of association and collective bargaining, boosting workers’ organizations and establishing regular information, consultation and negotiation structures.

Numerous studies identify the potential impact of IFAs in this regard (for example, Papadakis, 2008; Voss et al., 2008; Telljohann et al., 2009). As seen above, IFAs are expected to: (a) represent a passage from unilateral to negotiated approaches and consequently, from CSR to the industrial relations field; (b) “export” a culture of social dialogue and (self-)regulation in labour-management relations from the holding company to foreign operations, based on the recognition of freedom of association and the right to organize and bargain collectively as core business values; (c) constitute a platform of communication between institutionalized cross-border industrial relations bodies at the EU level (for example, European Works Councils – EWCs), and the rest of the world; and (d) revitalize earlier global union initiatives aiming to coordinate bargaining strategies with MNEs, including through the establishment of World Employee Councils (WECs).

The potential contribution of IFAs towards a global industrial relations framework and cross-border collective bargaining and agreements, generated debates about the relationship of these instruments to collective agreements. An in-depth examination of the issue shows that IFAs possess some, but not all, of the essential constitutive elements of industrial relations instruments akin to collective agreements defined in the ILO Collective Agreements Recommendation, 1951 (No. 91) (see ILO, 1996, p. 656). Unresolved issues remain with regard to the representation mandate of the parties to IFA negotiations, the binding nature of such agreements and their monitoring and dissemination (Papadakis et al., 2008). We return to the issues of monitoring and dissemination below as these elements provide a good indicator of the possible impact of IFAs.

An important question in this context is whether IFAs are intended to produce legally binding obligations. In several research and policy meetings, representatives of GUFs and MNEs that have signed IFAs clearly argued that IFAs were not intended to produce legally binding consequences let alone legal sanctions. Furthermore, relevant literature seems to concur that IFAs are not legally binding instruments in the sense that they cannot be relied upon in national courts and lead to enforceable decisions or the adoption of legal sanctions in the case of non-implementation – unless they are transposed into a national collective agreement submitted to the legislation of the company’s home country (for example, Ales et al., 2006; Sobczak, 2008). At this stage, it is safe to argue that IFAs are gentlemen’s agreements and therefore, their “binding” nature depends on their effective implementation. IFAs are at best defined as efforts by global
partners to autonomously organize their own dealings (see Papadakis et al., 2008).

Thus, the actual record of implementation of IFAs constitutes important information in making a more exact assessment of the relationship of IFAs to collective agreements. Empirical research is necessary in order to provide concrete evidence of the parties’ will (or lack thereof) to be bound by the provisions of IFAs and to implement them in good faith. For the moment, the only example of a fully fledged collective agreement addressing wages and other key conditions of employment at global level is the one reached in the maritime sector.\textsuperscript{5}

An additional element to take into account is that workers’ mobilization at the transnational level is much more difficult than at the national level. There is no formal recognition of such a right at the cross-border level. The existence of a right to mobilize trans-nationally at the EU level was only recently officially recognized in two European Court of Justice rulings, namely the Laval\textsuperscript{6} (ECJ, 2007a) and Viking\textsuperscript{7} (ECJ, 2007b) cases (see Bercusson, 2008a).\textsuperscript{8} However, according to the European Court of Justice, this right seems to be subordinate to the respect of economic freedoms protected under the EC Treaty and the legality of collective action seems to be subject to the criterion of “proportionality”.\textsuperscript{9} Prospects of worker mobilization at this level are constrained by a number of factors including: (a) the ideological/interest divide between workers of different operations of the same company (also described as “economic nationalism”); (b) the complexities associated with formulating a coherent strategy for cross-border solidarity; and (c) the lack of sufficient resources for mobilizing.

Most importantly when evaluating the nature of IFAs as industrial relations instruments, it should be said that IFAs differ from traditional collective agreements in that they are not the outcome of classical forms of collective bargaining, for instance, addressing specific wages and other terms and conditions of employment. They are agreements of principle primarily intended to set up a general framework of harmonious relations between GUFs/unions and MNE managements, particularly by ensuring respect for fundamental principles of freedom of association and collective bargaining throughout the MNE structure. The parties to IFA negotiations are in fact engaged in forms of bargaining (attitudinal structuring and intra-organizational bargaining) which could primarily produce a change in attitudes and mentalities within and between GUFs/unions and MNE managements. This is indeed an essential step in consolidating a cross-border industrial relations framework, channelling “culture” both as a catalyst for a change in mentalities and subsequently for the formulation of relevant public policies and laws (Papadakis et al., 2008).
Finally from a related perspective, IFAs establish recognition for social partnership across national borders (as argued by Telljohann et al., 2009, p. 63). If this social partnership is maintained and strengthened in the future, one may even argue that IFAs may function as “recognition agreements” between actors operating at the global level. Through the negotiation and signing of such agreements, MNEs recognize global unions as their legitimate counterparts in respect of (employment relations in) their global operations. Analogous to national level industrial relations, the fact that the parties recognize each other as legitimate partners might constitute a first step for global unions and global employers to engage in future negotiations (possibly leading to a collective agreement). In sum, despite the absence of a legal framework regulating industrial relations at global level, IFAs may be contributing to the creation of an enabling framework for the development of sound industrial relations and future negotiations.

11.3 EVIDENCE OF THE EFFECTIVENESS AND IMPACT OF IFAs

This section considers available evidence on the impact of IFAs. It draws on empirical research conducted by the European Foundation for the Improvement of Living and Working Conditions (Voss et al., 2008; Telljohann et al., 2009), information from GUFs, and the findings of a number of researchers and academics (Wills, 2002; Riisgaard, 2004; Müller and Rüb, 2005; Gibb, 2005; Schömann, 2008; Schömann and Sobczak, 2008; Sobczak et al., 2008; Sobczak and Havard, 2008a, 2008b; Wilke et al., 2008; Stevis, 2010).

To What Extent are the Provisions of IFAs Implemented?

Evidence indicates that there is a lack of significant effort to implement IFAs in the two areas of dissemination and training.

A number of agreements stipulate the obligation of the companies to translate and of the social partners to “disseminate the agreement” (for example, Lukoil in 2004). Yet, there is very little evidence that agreements are being systematically distributed or even translated into the languages of the countries where the MNE has operations. The agreements are usually not very visible on the websites of the MNEs concerned and they are often given much less consideration in the various annual CSR reports of the MNEs, compared to other unilateral practices (for example, management-driven codes of conduct and philanthropy-driven projects).
One of the rare surveys conducted by the International Metal Workers’ Federation (IMF) (in Volkswagen in 2003, 2005 and 2006) on the topic of IFA dissemination “demonstrated that neither the management nor the workers’ representatives in all companies and plants had fulfilled their obligations to inform the supplier companies of the existence and obligations of the IFA” (Holdcroft, 2007, p. 20). The absence of adequate recording, dissemination or active promotion of IFAs obviously limits their use and impact (as has been noted elsewhere, Papadakis et al., 2008; see also Gibb, 2005).

It appears that the record of IFA implementation in the areas of training and auditing is better, although not sufficient. The cases of PSA Peugeot, IKEA and Securitas constitute relatively well-documented examples of such commitment to invest in management training, and to link IFAs to social and managerial auditing (for example, Wilke et al., 2008, and Schömann, 2008). It also appears that such efforts are more effective when enterprises use IFAs as a way to strengthen the implementation of already existing social/environmental codes of conduct and also when auditing takes place in the context of the follow-up to such codes. Good examples of links between codes and IFAs are the Securitas IFA signed in 2006 (Schömann, 2008, p. 3) and the IKEA IFA signed in 2001, which is linked to its “I-WAY” code (adopted in 2000).

Some IFAs establish clauses that are aimed at sanctioning suppliers for failure to comply with the principles contained in the IFAs. This is the case in roughly one third of the agreements signed by July 2010, which mentioned that the respect of the IFA by suppliers is mandatory. To our knowledge however, only one case of actual sanctioning of a supplier has been documented so far. This case, reported by the IMF, concerned eight suppliers of Daimler-Chrysler in Brazil which were eventually “replaced because of pressure by unions on the company to enforce the IFA” (Holdcroft, 2007, p. 21). Furthermore, there is no information on training of suppliers with a view to promoting IFAs. MNEs often refuse to disclose information concerning their interactions with suppliers as such information is often considered to be sensitive from a legal and competitive viewpoint (Wilke et al., 2008, p. 11).

The issue of outreach is even more relevant in respect of suppliers and subcontractors where the links with the holding company or the GUF (the usual custodians of IFAs) are weaker. In some cases, enterprises commit to inform and encourage suppliers/subcontractors to respect the provisions of the agreement, but they do so without stipulating exactly how the information should be transferred and what the possible consequences of non-compliance are. This lacuna has obvious consequences in terms of IFA effectiveness, especially for MNEs which rely extensively on suppliers and subcontractors.
The issues of dissemination, training, auditing and sanctioning are related to the availability of funds. These issues are not only present in MNEs, but also within the companies of the suppliers. Only a few IFAs include provisions aimed to secure funds for follow-up activities. Nevertheless, MNE commitment, through time and resources, to the follow up of the agreement is crucial. As the IMF indicates, “Experience has shown that effective implementation requires significant resources to conduct meetings, maintain networks and coordinate activities. It is clear that the IMF does not have the resources to itself manage this level of implementation in all of the companies with which it has signed IFAs” (IMF, 2006). An interesting IFA in this respect is that of the Greek telecommunications operator OTE (2001), which makes a clear and detailed provision for resource allocation in organizing the “joint annual meeting”. The costs arising from the application of the agreement are borne by the enterprise and include, for instance, travel and accommodation for GUF representatives (UNI). More recently (in December 2008) an IFA signed between UNI and Group4Securicor is supported by a financial contribution of 100,000 euros on behalf of the company for follow-up and training purposes.

Do IFAs Promote a Sound Industrial Relations Environment and Social Dialogue Between the Parties to the Agreement?

As mentioned above, IFA signatories claim that such agreements further possibilities for cross-border social dialogue and improve labour–management relations with a view to addressing issues of common concern or for information/consultation purposes, not necessarily in the context of a specific dispute (see below), but in anticipation of it. In practice this is done through:

(a) Direct contacts between the management – often the CEO – and the secretary general of the concerned GUF. Anecdotal evidence shows that contact can be frequent, but not necessarily disclosed, in the event of a crisis. In some cases (for example, Lukoil), such meetings are organized on a yearly basis.

(b) More structured and frequent communication between enterprise workers from different plants in the context of EWCs or WECs (see Bourque, 2005) (for example, the WEC of EDF or PSA Peugeot; the latter has transformed its EWC into a WEC initially through an enlargement of its EWC to include Argentinean and Brazilian workers’ representatives; see Sobczak and Havard, 2008a, pp. 1 and 10). The establishment of WECs has also contributed to developing
new links between management and unions operating at different levels. For example, PSA Peugeot used to have links only with national unions, then with the European Metalworkers Federation, and recently with the IMF because of its IFA. Similar evidence is presented in the case of the Daimler agreement (Telljohann et al., 2009, p. 65).

(c) Joint seminars which function as catalysts for raising awareness on the potential benefits and pitfalls associated with IFAs. For example, in November 2005 the IMF organized a meeting in Brazil which brought together affiliated unions and plant representatives from various companies which had signed an IFA (Volkswagen, DaimlerChrysler, LEONI, SKF, Arcelor, Bosch and Renault; see Holdcroft, 2007, p. 21). Similar meetings have been conducted by other GUFs with regard to Eastern European and Southern African operations covered by IFAs.

All three means of communication – high level direct contact, structured communication among unions of different levels, and ad hoc joint seminars – may also function as early warning mechanisms for dispute prevention, although companies and GUFs maintain confidentiality over resolved cases for obvious reasons. They also strengthen possibilities for cross-border solidarity action (see below).

Do IFAs Provide a Framework for Workers to Organize at Plant and Local Levels?

There is sporadic empirical evidence on how IFAs might contribute to promoting worker organization, especially in the plants of companies covered by IFAs within countries with a weak record in the areas of freedom of association and collective bargaining. Some early examples reported in the 2004 ILO Global Report on freedom of association and collective bargaining show a positive impact on promoting worker organization in the context of the IFAs signed by Accor and Fonterra (ILO, 2004, para. 245; Wills, 2002).

More recent reports show similar observable links between the adoption of IFAs and workers’ organizing. According to the ITGLWF, the only GUF to have signed an IFA with a multinational enterprise active in the textile and apparel industry (that is, Inditex in 2007), the impact of the IFAs in organizing workers was felt within a year; several trade unions have been recognized in at least ten enterprises of the global value chain of the signatory enterprise and industrial relations management systems negotiated and adopted in five major garment manufacturing companies.13
This is a major development considering the well-known obstacles in organizing “buyer-driven” industries (Gereffi, 1999), such as the textile, apparel, and sportswear industry, where anti-union practices, low unionization rates and low supplier disclosure function as major obstacles to the promotion of basic worker rights (Hammer, 2008, pp. 105–107; Miller, 2008). It appears that the Inditex IFA with its ability to organize workers across the supply chain of the company also deserves credit for its impact on “improving appalling working conditions” in the company operations in Peru and India (ICEM, 2008a).

Furthermore in countries where union membership is exceptionally low or where the independence of trade unions may be challenged, the Chiquita-IUF IFA may have contributed to unblocking longstanding situations in view of creating better union organization. Based on a five-year joint assessment of Chiquita’s IFA (carried out by the IUF, COLSIBA and the management of the company and presented in a meeting that took place in Cincinnati in May 2006), it was reported that workers and union members effectively used the Chiquita agreement in order “to increase union membership in the company as well as its suppliers” in Colombia, Costa Rica and Honduras (reported in Schömann and Sobczak, 2008, p. 7). One of the most significant successes was the organizing of approximately 5,000 new union members in Colombia immediately after the signing of the IFA and a number of collective agreements. A similar impact was reported with regard to the Honduran operations of the company where “following the agreement, one union was founded and consolidated on a number of plants” (ibid.). Finally, in Costa Rica, where the dominant Solidarismo system is often accused of “yellow unionism”, the existence of the Chiquita IFA contributed to the organization of direct meetings between local management and the unions representing a small portion of Chiquita workers and workers in their suppliers. As a consequence, the culture of confrontation and repression was downplayed and the management of local operations accepted the principle of non-interference in union dealings and in providing workers access to a pilot organizing effort in a number of Chiquita plantations (Schömann and Sobczak, 2008, p. 8).

According to the IMF (the GUF that has signed or co-signed more than a third of the IFAs with major multinationals), following a meeting in Germany between management and worker representatives of various plants of the company Leoni in 2005, the company adopted a proactive implementation strategy for its IFA to assist unions “organize workers in unorganized plants”. One of the immediate results was the creation of space for worker organization within the IMF affiliate Solidaritatea Metal, which was able to organize two large Leoni plants in Romania. It was also able to implement a collective bargaining agreement that had.

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already been reached in one of them. Similar IMF backing of the same IFA produced some positive results in organizing workers in unorganized Leoni plants in Slovakia and Ukraine (Holdcroft, 2007, p. 21).

Conversely, a recent empirical study assessing the Daimler IFA indicates that in countries where unionization takes place in a confrontational environment, local unions have not used the IFA in their efforts to unionize plants. Stevis (2010, p. 36) gives the example of the Daimler Tuscaloosa plant in the US.

According to UNI, as a result of the Telefónica IFA, its Brazilian affiliate SINTETEL managed to organize Telefónica’s call centre business and in Puerto Rico workers organized against strong initial resistance. In Chile, the same agreement seems to have helped Telefónica to negotiate and reduce layoffs (Medland, 2006). Similar effects have been reported in respect of the Carrefour-UNI agreement in Spain (Royle and Ortiz, 2006).

Despite the above-mentioned successes of IFAs in organizing workers across the value chains of multinationals, one might agree with Hammer’s statement that “some intellectual and political caution is in order here [since] organizing [is] clearly a complex social process to which anecdotes of good IFA practice do not do justice; equally, in hindsight, it is difficult to establish what could have been possible without an IFA” (Hammer, 2008, p. 106).

Do IFAs Provide a Framework for the Resolution of Disputes?

Over the years, several accounts regarding the contribution of IFAs in resolving industrial disputes have been highlighted. One of the first success stories was reported as early as 2004 and concerned Danone, the first company to sign agreements with a GUF and which has signed at least four IFAs since 1988. The “Joint Understanding” agreement Danone signed in 1997 with IUF constitutes an interesting demonstration of the value of an IFA in settling disputes in times of industrial restructuring.

This agreement defined a number of principles the enterprise needed to respect “in the event of changes in business activities affecting employment or working conditions”. The timely implementation of these principles in good faith, not only enabled the IUF to dramatically modify a restructuring plan of the enterprise (which led to the company revising its decision to close down a plant in Hungary), but also improved the quality of labour-management relations at the enterprise level. This development proved to be key for the enterprise as it was the basis for obtaining the support of the IUF during the restructuring process in the face of boycott threats made by some national unions and NGOs (ILO, 2004). Further accounts of the role of IFAs during restructuring are reported below.
Returning to the issue of dispute resolution, the first and only IFA covering the supply chain of a global retailer in the textile and clothing sector signed by the ITGLWF (Inditex in 2007) constitutes one of the most recent success stories. The GUF and company representatives have reported that more than 1,100 workers dismissed for trade union membership or activity were reinstated and that conflicts were resolved in countries in every continent as a result of the Inditex IFA (see ITGLWF, 2008).

Among other GUFs, the IMF indicates that there are very few examples of complaints raised under an IFA and even fewer where they are resolved (Holdcroft, 2007, p. 22). The IMF identifies the Daimler-Chrysler IFA as one of the best examples of handling complaints given that 18 concrete cases of violations have been identified, all of them relating to suppliers and dealers (while none concern Daimler’s own production sites). Most of the complaints relate to breaches of the IFA provisions on freedom of association and the right to collectively bargain in local operations (eight cases in Turkey, five in Germany, two in the USA, two in Brazil and one in Costa Rica; see Telljohann et al., 2009, p. 65). According to this IMF report and Telljohann et al. (2009), complaints made under this IFA are usually channelled to the DaimlerChrysler World Employee Committee (WEC), either via the IMF or directly. “[A]ll cases so far have been settled by means of a procedure that involves: (a) an indication of the alleged violations to DaimlerChrysler management; (b) an examination by DaimlerChrysler management; (c) a letter sent to the concerned supplier asking for examination and compliance with the IFA, and (d) in some cases, local solidarity actions” (IMF, 2006). According to Telljohann et al. (2009, p. 65) “[i]n all the cases, this procedure proved successful.”

Stevis (2010) reported similar and updated findings in an unpublished impact assessment of the same IFA. Based on research interviews with management, workers’ representatives and trade union officials, Stevis confirms that eighteen cases were brought to the attention of Daimler’s enterprise management and World Employee Council as of 1 May 2008 following the signing of the IFA with the IMF. Twelve of these involve allegations of direct violation of the right to organize. Of these, ten involved a supplier (two in Germany, one in the USA, one in Brazil, and six in Turkey) while three involved the dismissal of works councils members or the hindrance of the operation of the works councils (two in Germany and one in Turkey). The Brazilian cases involved the dismissal of a union representative; an illegal lock-out; and racism/harassment.

The IMF has nevertheless reported deficiencies in the effectiveness of IFAs during industrial disputes. For instance, at the IMF World Conference held in Germany in 2006, a number of complaints were raised about some actions undertaken by Bosch that reportedly breached its
IFA provisions on freedom of association, collective bargaining, non-discrimination and the right to equal pay. Bosch’s management was unable to resolve any of these complaints. In at least one case, at the Bosch-owned plant located in the US (Doboy, Wisconsin), when workers went on strike during a collective bargaining dispute, management informed them that they would exercise their right under US law to bring in permanent replacement workers. According to the IMF, such practices, although not illegal under US law, arguably run against the spirit and the letter of the Bosch IFA (Holdcroft, 2007, p. 21). According to a study of IFAs, Bosch workers now have little confidence in the IFA because of this incident (Herrnstadt, 2007, pp. 205–6).

Another example of the use of an IFA to resolve an industrial dispute concerns the oil company Statoil, which signed an agreement with ICEM and the Norwegian Oil and Petrochemical Workers’ Union (Norsk Olje og Petrokjemisk Fagforbund or NOPEF) in 1998. This agreement allowed ICEM to intervene in a long-standing industrial dispute at the American Crown Central Petroleum refinery in Pasadena, Texas, USA. The management of this refinery (which served Statoil on a long-term basis) locked out 256 workers after wage negotiations failed in 1996. After the use of temporary labour to refine the oil for five years following the break-down of the negotiations (1996–2001), the IFA was eventually used by NOPEF representatives to directly reach out to the Statoil office in New York to arrange meetings with local trade unionists and managers at the Texas refinery plant. In January 2001, the dispute was eventually resolved. The parties to the dispute admitted that the IFA was critical in getting Statoil to intervene in the local dispute.

In Guatemala, the IFA signed between Chiquita, IUF and COLSIBA also triggered a number of agreements that contributed to the “settling of significant conflicts” (Schömann and Sobczak, 2008).

Finally, UNI has defined its IFAs with Telefónica as a first step for paving the way towards local collective bargaining and dispute resolution (Sobczak et al., 2008, p. 9). In general, what is interesting about IFAs is their accent on local management’s responsibilities to enforce the agreements contrary to unilateral codes which pledge more often than not respect of “local laws and customs”.

The Special Role of IFAs in Triggering Workers’ Solidarity Across Borders

The DaimlerChrysler agreement is a successful example of handling disputes within global production systems of MNEs because of its contribution to building workers’ solidarity across borders. As early as 2002, a
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case concerning Ditas, a Turkish supplier to DaimlerChrysler (but also other US and European automobile companies), was resolved under the DaimlerChrysler IFA. This demonstrates that the capacity of IFAs to trigger successful worker mobilization campaigns across borders is not negligible.

In 2002, Ditas workers took industrial action because of the employer’s refusal to respect trade union rights at the workplace and to bargain with the union. The company expeditiously laid off approximately 400 workers who had requested recognition of their union rights and requested collective bargaining. This action was in breach of the IFA’s provisions on freedom of association and the right to organize and bargain collectively, which also covers suppliers. Following a cross-border mobilization campaign with the Turkish affiliate of the IMF and a letter from the WEC of Daimler Chrysler, a negotiated settlement was reached and the vast majority of the workers were reinstated (for example, Holdcroft, 2007, p. 21). Similarly, because of the “supplier provision” in the IFA of DaimlerChrysler, the Brazilian IMF affiliate CNM-CUT was able to justify the legality of a work stoppage at DaimlerChrysler due to a breach by a company supplier (Grob).

In addition to the successful trans-national solidarity campaign generated in the Ditas case, other General Motor (GM) framework agreements constitute interesting examples of the contribution of IFAs in generating cross-border collective action, especially during restructuring processes. An agreement on industrial restructuring at GM (March 2001) was negotiated when GM management announced plans to close the GM Vauxhall plant in Luton (United Kingdom) and cut 10,000 jobs worldwide, 6,000 of which were in Europe. This agreement – which was not international but European in scope – permitted local negotiations to adopt a strategy of transnational solidarity, combining mobilization and negotiation. On 25 January 2001, the employees of nearly all GM plants in Europe participated in a common strike and an “action day” against plant closures. This put pressure on the negotiators and led to an agreement stipulating that management avoid forced redundancies. The alternatives negotiated with local employee representatives included part-time work programmes, voluntary severance programmes, and early retirement programmes, as well as transfers to other GM locations. It was agreed that vehicle production (though not car production) remain in Luton (Da Costa and Rehfeldt, 2008, p. 57).

Following a second announcement (in September 2004) by management of GM Europe that GM intended to close a production site and cut 12,000 jobs in Europe, 50,000 GM workers took part in a European day of action on 19 October 2004. The industrial dispute concluded with a joint
statement recognizing the economic problems faced by GM, but reaffirming the “no forced redundancies” and “no plant closures” principles of the previous agreement. It was only in June 2006 that GM Europe management announced the closure of the Azambuja plant in Portugal and that, despite a series of coordinated actions in all European plants, the plant was shut down (Bartmann, 2005; Bartmann and Blum-Geenen, 2006; Da Costa and Rehfeldt, 2008, p. 58). Having said that, framework agreements on restructuring with an international, rather than exclusively European, scope rarely generate similar cross-border mobilization (as shown recently during the debates of the EU Conference on restructuring and IFAs, November 2008, Lyon; see also below).

Do IFAs Provide a Framework for Sustainable Industrial Relations? The Case of Restructuring

The previous section illustrated the close relationship between IFAs and restructuring. Several examples of trans-national company agreements addressing restructuring processes are reported by relevant literature. However, most examples concern European (rather than International) Framework Agreements (EFAs), that is, agreements (co-)signed with either EWCs and/or European industry federations, and have a European scope of application. From the 39 agreements on restructuring reached in 23 companies, only 11 are IFAs and those agreements do not focus exclusively on restructuring. Furthermore, there is no evidence regarding their actual impact. The remaining 26 EFAs focus exclusively on restructuring (Schmitt, 2008). Most EFAs in this area are recent or at the initial stage of their implementation. Therefore, they have not yet produced concrete results.

Having said that, IFAs may exert an impact on the culture of the company which might prove to be sustainable even in the absence of a specific clause dealing with restructuring. Such impact on the culture of the MNE may be evaluated by examining whether the IFA’s principles are maintained even when structural changes take place within the MNE, for example, following a merger, delocalization, or a company partition (which also signifies a fundamental change in the employment relationship between the initial signatory company and its labour force). The following examples show that IFAs may have a sustainable effect on the culture of companies after restructuring and may even influence the companies that inherit parts of the signatory company.

The case of the Chiquita IFA is a well documented example of the sustainable impact an IFA may have on the company’s culture, even in times of fundamental restructuring of production sites, outside the European
realm. In the case of the Colombian operations of the company, available literature (based on research interviews with management and union representatives) highlights that the IFA was used as “the bottom line” to strengthen the action of union members following the announcement that Chiquita would sell the plant. In fact, the IFA functioned as a platform for a groundbreaking agreement in which Chiquita guaranteed that the new owners would recognize the union, respect the only collective agreement that existed, and avoid undertaking actions affecting trade union rights and membership. A Memorandum of Understanding signed between the IUF, COLSIBA, and Chiquita (the signatory parties of the initial IFA) and SINTRAINAGRO (IUF’s affiliate in Colombia) committed Chiquita to

insist that any agreement for such a sale would provide for the existing collective bargaining agreement to remain in full force and effect and for the potential buyer to continue to recognize SINTRAINAGRO as the single union representative of current Chiquita workers, with all rights and obligations.

Chiquita would

insist and use its best efforts to ensure that BANACOL (the Colombian national producer) respects the minimum labour standards and the terms of the IUF/COLSIBA/Chiquita Agreement as they would apply to a Chiquita supplier and that the interpretation of that part of the agreement in this case would recognize Chiquita’s significant influence within the current negotiations.

According to SINTRAINAGRO’s president, the Chiquita IFA helped his union recruit 1,500 new members and sign seven new collective agreements in the Magdalena and Urabá regions by 2004 (ILO, 2004, p. 37). According to a more recent assessment, by May 2008 the agreement remained even though the Chiquita Colombia division was sold (Schömann and Sobczak, 2008, p. 7).

A similar agreement was reached (between the negotiating actors of the IFA) for a plant that Chiquita was obliged to sell in Honduras following a flood in 2005. This agreement aimed to push the new owners “to agree to a Union rights clause in any contract Chiquita might sign to purchase bananas from those farms,” once the rehabilitation of the plant was concluded by the new company (Schömann and Sobczak, 2008, p. 7). This accord enabled the IUF affiliate Trade Union of Workers of the Tela Railroad Company (SITRATERCO) to organize and bargain collectively in at least one Chiquita supplier, Buenos Amigos (ILO, 2004, p. 37).

More recently, ICEM, together with Norwegian affiliate Industri Energi (IE), reached a new IFA with StatoilHydro in November 2008 (ICEM,
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This agreement replaced ICEM’s first IFA, coordinated with the trade union covering Norway’s oil and gas workers at that time (NOPEF), with the previously Norwegian state-operated oil and gas producer Statoil (signed back in 1998). The new agreement was reached following NOPEF’s merger with the chemical workers’ union (NKIF) which created IE and Statoil’s acquisition of the oil and gas activities of Norsk Hydro. Even though the content of the new agreement is practically the same as the older one, it now covers 29,500 StatoilHydro workers in 40 countries. Moreover, the very fact that a new agreement was reached shows the potential of IFAs in sustainably affecting company culture even after a fundamental restructuring involving a merger.

Another documented case in this area concerns the IFA reached by EDF. When the subsidiaries of EDF in Argentina and Brazil were sold, the buyer company committed to continue applying the provisions of the IFA for at least three years after the separation of these plants from EDF (Sobczak and Havard, 2008b, p. 3). Although less documented, the Arcelor agreement (signed in 2007), created following the acquisition of the Indian company Mittal Steel to form ArcelorMittal in 2008, similarly influenced the new labour/management culture of the company. The very existence of the Arcelor IFA (of French-Luxemburg origin) seems to have paved the way towards a new ArcelorMittal IFA, even though it may be argued that there may be a fundamental narrowing down of the scope of the new IFA. The new IFA focuses almost exclusively on occupational health and safety (OSH) issues; however, it establishes a global OSH joint committee as well as local joint OSH bodies in practically all operations of the new company (Moreau, 2009). It should be noted that in early November 2009 a new groundbreaking agreement on restructuring was signed with the European Metalworkers Federation (EMF). The new agreement, negotiated and signed just three months after wide consultations on both sides, covered only the European operations of the company. The general aim of the agreement was to protect employment, better anticipate future changes, improve the competitiveness of the company and the employability of workers so as to adapt to the new economic context created by the crisis. Anecdotal evidence shows that the most important guarantees of employment have so far been respected by the company: there have been no permanent plant closures and no compulsory dismissals.

11.4 CONCLUSIONS

Based on the above, it appears that IFAs have a beneficial impact on promoting workers’ organization, increasing union coverage and contributing
to the resolution of labour-management disputes, especially in countries which do not have an industrial relations tradition.

Since the late 1980s, IFAs appear to have contributed to the recognition of company and worker representatives at the global level by addressing issues related to the employment relationship throughout the supply chain. Possibilities for worker organization and coordinated bargaining may have increased, including at the local level, although evidence in this area is not systematic.

IFAs with follow-up mechanisms such as in the context of EWCs and WECs appear to be better equipped when it comes to dealing with disputes that cannot be solved at the local level, not least because they can help to improve dialogue between management and workers throughout the company – including in times of industrial change. This having been said, the examples above do not imply that the MNEs which have made progress in one local operation through the IFA, will necessarily be successful, or even willing, to replicate this success in another operation, since conditions differ from one country to another and from one operation to another.

The empirical data indicate that further progress is possible in a number of respects:

(a) Involving in the negotiation process and the signing of IFAs a maximum number of trade unions concerned by the operations of the MNE across the world, as well as managers of local operations, would improve their “ownership” on behalf of representative local unions and management. World Employee Councils or enlarged European Works Councils could serve as a springboard for such expansion, if they are well integrated in the everyday corporate social policy of enterprises.

(b) The dissemination and systematic translation of IFAs could be improved. Training of managers, but also of covered workers of local operations is key (see Herrnstadt, 2007). Such requirements exist in some of the IFAs but are rarely well implemented.

(c) The eventual development of cross-border institutions could serve to strengthen processes for the adoption of IFAs as well as their dissemination, monitoring and follow-up as far as they do not constitute interference in the autonomy of the global social partners. The EU currently explores the possibility of institutionalizing the area of cross-border employee–management relations despite certain reservations expressed by the social partners (for an analysis of the social partners’ positions in this area, see Be, 2008; see also Business Europe, 2008). The EU Commission’s programme of work in this area includes the setting up of an expert group mandated to chart
and analyse trans-national company agreements (see European Commission, 2008, p. 11), before considering regulatory action.\(^\text{17}\)

The ILO is another organization with experience in this area and could eventually play a role if the constituents so wished. This could be done on the basis of the landmark ILO Declaration on Social Justice for a Fair Globalization. The latter provides, among other things, that: “the Organization should review and adapt its institutional practices . . . with a view to . . . developing new partnerships with non-state entities and economic actors, such as multinational enterprises and trade unions operating at the global sectoral level” (ILO, 2008, pp. 12–13, II.A.v.).

(d) An issue to explore could be the extent to which the case law of the ILO supervisory bodies could buttress efforts by GUFs to mobilize trans-nationally, especially in the light of the recent case law of the ECJ in this area (the Laval and Viking rulings of December 2007 seem to legitimize cross-border strikes only to the extent they respect economic freedoms);

(e) If in the future a critical mass of IFAs is generated per industry, one could envisage an expansion of IFAs from the enterprise (MNE) level to the cross-border sectoral level on the basis of the lessons drawn from the collective agreement negotiated, as noted above, in the maritime sector.

It goes without saying that IFAs as global self-regulatory instruments, may potentially complement but not replace national law and cannot fully address national gaps in protection of labour rights, especially where democratic principles and human rights are not fully respected.

Research in the area of IFAs is relatively recent and on-going but already indicates that IFAs might shape the emerging cross-border industrial relations framework of the future by providing new means through which to coordinate workers’ interests across borders, especially in light of challenges created by globalization. As the recent debates in the context of the 2009 International Labour Conference highlighted (ILC, 2009, pp. 33–38), in the context of the current financial and economic crisis, unions and MNEs might draw mutual benefits from concluding IFAs thereby addressing the negative social impact of the crisis.

NOTES

1. If one includes agreements negotiated and signed between MNEs and European industry federations and/or European Works Councils (generically called “trans-national
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company agreements”), the figure goes up to 160 (according to the European Commission, 2009).

2. It reads: “The Freudenberg Group respects the right of its employees to freely decide whether or not to establish or to associate with any legitimate trade union of their choice. The Freudenberg Group shall remain strictly neutral concerning its employees’ choice in the matter.” See http://www.icem.org/en/78-ICEM-InBrief/2826-ICEM’s-Freudenberg-GLOBAL-Accord-Improved-to-Include-Organising-Neutrality


5. This collective agreement covers increases in wage levels, as well as changes in contractual clauses to reflect the provisions of the ILO Maritime Labour Convention, 2006. Since 2003, the adoption and periodical renegotiation of a collective agreement in this sector takes place against the background of the institutional framework of the ILO serving to set seafarers’ minimum wages and to define other terms and conditions of employment for the sector through ILO Conventions and Recommendations. In particular, the ILO Joint Maritime Commission periodically recommends the minimum wage for an able seafarer under the Seafarers’ Wages, Hours of Work and the Manning of Ships Recommendation, 1996 (No. 187) (now consolidated within the Maritime Labour Convention, 2006). This recommendation, which is periodically updated based on negotiations among the tripartite ILO constituents within the Joint Maritime Commission’s Subcommittee on Wages of Seafarers, serves as an important benchmark for wage negotiations around the world, not only at the national but also the international level (ILO, 2006, pp. 40–41). Against this background, the 1990s witnessed the development of global collective bargaining in the maritime sector. In the early part of that decade, shipowners formed the International Maritime Employers’ Committee (IMEC) for the purpose of negotiating a global industry pay agreement for seafarers working on board “flag of convenience” ships with the ITF. The first such agreement was negotiated in 2001 (ILO, 2006, p. 22). In the most recent negotiations of this agreement, under the auspices of what is now known as the International Bargaining Forum (London, 27 September 2007), the parties reached a collective agreement that took effect 1 January 2008, covering some 70,000 seafarers of all nationalities serving on over 3,500 ships. See for example http://www.itfglobal.org/press-area/index.cfm/press detail/1586 (10 Jan. 2008).

6. “Laval un Partneri Ltd. v Svenska Byggnadsarbetareförbundet et al.”.


8. Between December 2007 and June 2008, the European Court of Justice handed down four decisions touching upon a number of sensitive questions regarding the balance between economic freedoms and social rights and social policy within the European Union. Two of the decisions (the Viking and the Laval cases) dealt with the relations...
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of fundamental economic freedoms and the right to take collective action. The Rüffert case examined the extent to which national provisions on socially sustainable procurement are in line with Community regulation on the freedom to provide services. Finally, the Luxembourg case addressed a number of specific questions regarding the compatibility of EU law and the application of social regulation with regard to posted workers.

9. The criterion of “proportionality” is indeterminate. For example, according to the ECJ in Viking, it disaggregates into a number of indicators: (i) there must be a “serious threat” to jobs and working conditions; (ii) there is no legally binding undertaking by the employer to maintain existing collective agreements; (iii) the collective action must be suitable to achieve its ends; (iv) no other means less restrictive of economic freedoms is available; and (v) all alternative methods of achieving the union’s objective have been exhausted (see Bercusson, 2008b).

10. The survey was sent to the workers’ representatives as well as to the personnel management of the different companies and plants asking what steps had been taken to make the agreement known in the workforce. See also International Metalworkers Federation (IMF), 2006.

11. One of the most interesting IFAs in this respect is that of the Greek telecommunications operator OTE (2001) which makes a clear and detailed provision for resource allocation in organizing the “joint annual meeting”. The costs arising from the application of the agreement are borne by the enterprise and include, for instance, travel and accommodation for GUF representatives (UNI). More recently (in December 2008) the IFA signed between UNI and Group4 is supported by a financial contribution of 100,000 euros on behalf of the company for follow-up and training purposes.


14. EADS, EDF, Generali, Lukoil, Rhodia, PSA, Renault, Suez, Arcelor, EDF, Eni.

15. Carley (2008) reported that when these agreements were eventually implemented (especially in the automobile industry), they were quite successful in providing guarantees on the employment conditions and status of the employees involved and commitments on sourcing and investments. In general, the provisions of the transnational texts were well implemented, which led to satisfactory national or local negotiations or dialogue over the employment effects and a “tangible impact on employees’ terms and conditions of employment and on the actions of the company” (Carley, 2008, pp. 7–8). According to in-depth field research by Rehfeldt and Da Costa (2008), the impact of European framework agreements in the automobile industry was important in the cases of Ford and General Motors, and more recently at DaimlerChrysler. In January 2000, Ford Europe signed an agreement with Ford’s EWC, which aimed to protect ex-Ford workers who had been transferred to Visteon Corporation, a global automotive supplier. These ex-Ford workers benefited from the same wages and conditions as Ford workers, kept their seniority and pension rights, and could rejoin Ford in the event Visteon closed. Other Europe-wide agreements were also signed (by the Ford EWC), including two for other Ford spin-offs, which protected the personnel concerned along the lines of the Visteon agreement. A similar agreement reached in GM, covered employees transferred to joint ventures of GM and Fiat. According to the IFA (2000), employees were entitled to keep the right to return to their former employer in the case of the failure of the GM-Fiat alliance (which eventually took place in 2005). More recent trans-national company agreements affecting workers in the European automobile sector have been signed by DaimlerChrysler in May 2006 (on information and consultation), in September 2006 (on measures to adjust staff levels) and in July 2007 (regulating the realignment of the sales organization after the Chrysler separation; see Metz, 2008, in Da Costa and Rehfeldt, 2008, p. 59). More examples of IFAs and EFAs contributing to the handling of European restructurings are reported in Telljohann et al., 2009.
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16. In almost half of the IFAs reached by the third trimester of 2007, there has been some involvement of national unions, albeit not a comprehensive one, involving all national unions concerned by the operations of the enterprise. GUFs traditionally play the predominant role in the negotiation and signature of the agreements. In addition, in many cases IFAs are initiated by European Union Federations and European Works Councils. The most comprehensive “stakeholder” participation is the 2005 EDF agreement which involved 4 GUFs and 20 national unions. The follow-up body (Consultation Committee on CSR) is composed of 28 members.

17. In his compte rendu of the Lyon Conference on transnational company agreements and restructuring (November 2008), Gilles de Robien, delegate of the French Government to the Governing Body of the ILO, predicted that IFAs are expected to play a growing role in the socio-economy and restated the intention of the EU to explore the adoption of a legal framework for IFAs, in order to guarantee their legitimacy and effective implementation (de Robien, 2008).

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