International framework agreements and global social dialogue:
Parameters and prospects

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Preface

The primary goal of the ILO is to contribute, with member States, to achieve full and productive employment and decent work for all, including women and young people, a goal embedded in the ILO Declaration 2008 on Social Justice for a Fair Globalization, and which has now been widely adopted by the international community.

In order to support member States and the social partners to reach the goal, the ILO pursues a Decent Work Agenda which comprises four interrelated areas: Respect for fundamental worker’s rights and international labour standards, employment promotion, social protection and social dialogue. Explanations of this integrated approach and related challenges are contained in a number of key documents: in those explaining and elaborating the concept of decent work, in the Employment Policy Convention, 1964 (No. 122), and in the Global Employment Agenda.

The Global Employment Agenda was developed by the ILO through tripartite consensus of its Governing Body’s Employment and Social Policy Committee. Since its adoption in 2003 it has been further articulated and made more operational and today it constitutes the basic framework through which the ILO pursues the objective of placing employment at the centre of economic and social policies.

The Employment Sector is fully engaged in the implementation of the Global Employment Agenda, and is doing so through a large range of technical support and capacity building activities, advisory services and policy research. As part of its research and publications programme, the Employment Sector promotes knowledge-generation around key policy issues and topics conforming to the core elements of the Global Employment Agenda and the Decent Work Agenda. The Sector’s publications consist of books, monographs, working papers, employment reports and policy briefs.

The Employment Working Papers series is designed to disseminate the main findings of research initiatives undertaken by the various departments and programmes of the Sector. The working papers are intended to encourage exchange of ideas and to stimulate debate. The views expressed are the responsibility of the author(s) and do not necessarily represent those of the ILO.

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2 See the successive Reports of the Director-General to the International Labour Conference: Decent work (1999); Reducing the decent work deficit: A global challenge (2001); Working out of poverty (2003).


4 See http://www.ilo.org/employment.
This paper identifies important trends in the use of international framework agreements.

A growing number of multinational enterprises (MNEs) have signed international framework agreements with global union federations. This research considers whether and how IFAs have provided an international framework that promotes good industrial relations at the plant level, specifically the resolution of disputes in participating plants. It examines whether and how such agreements assisted the parties to the agreement (the MNE and Global Union Federation) to monitor working conditions, particularly, but not exclusively, those of suppliers.

The paper also considers whether and in what way such agreements create a framework for sustainable improvements in working conditions at the plant level, particularly those of suppliers. In particular, were any changes the result of the agreement or a combination of factors. Lastly, the paper examines whether and how international framework agreements create a standard of industrial relations that are reflected the principles articulated in the ILO MNE Declaration.

The ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) is designed to guide private initiatives, both company policy such as codes of conduct for suppliers, and industry-wide initiatives. It is the only international CSR instrument which has the full backing of workers, employers and government. This tripartite origin makes it both highly credible and yet sensitive to the concerns of enterprises facing tough competition.

The MNE Declaration covers the fundamental principles and rights at work—concerning child labour, forced labour, freedom of association, collective bargaining, and non-discrimination—as well as wages, hours of work, and occupational health and safety. Some of the activities and initiatives taking place in the area of socially responsible investment are focused on many of these issues and investors and analysts may find these principles to be a useful starting point for dialogue with companies and trade unions on how best to protect workers’ rights while helping companies to retain, or even enhance, their competitiveness.

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Introduction

International Framework Agreements are a relatively new form of transnational social dialogue that has attracted increasing attention by practitioners and analysts alike. This paper sets out to examine some broadly recognized parameters and dynamics of this dialogue as a contribution to the further evaluation of the strategy’s prospects.

IFAs remain primarily European in origin and form, a fact noted by most analysts and practitioners familiar with the subject. Accordingly, it is fair to ask whether IFAs are an emerging form of global social dialogue or an uneven extension of European dialogue across the globe. The first part of this paper explores the trajectory of IFAs with an eye towards their expansion and reach beyond Europe. This is based on the assumption that additional research on the subject is important for a fuller understanding of IFAs as an emerging form of global dialogue.

In addition to this geographic variability, analysts have also noted that there are important variations amongst the existing IFAs, despite their relatively common origins. Such variability is to be expected given the variety of industrial relations and specific participants. The question is whether this variability will lead to competing social dialogues or whether it will result in an overarching global social dialogue that can accommodate different traditions and strategies. Intimately related to this question is whether IFAs, individually and collectively, are leading towards global social responsibility or towards global social accountability. The second part of the paper explores these questions by employing a multidimensional heuristic scheme that has been used to explore national social dialogue.

The third part of the paper outlines some plausible explanations of the variability amongst IFAs. My goal here is to point out the interplay between the dynamics of the various varieties of capitalism and strategic choices by the main stakeholders. The current economic crisis provides a constitutional moment in terms of global management and social regulation, in general, and IFAs, in particular, so it is worthwhile to explore the range of factors that are at play and which are likely to influence the further trajectory of the strategy. I close by summarizing the parameters of the IFA strategy and suggesting some plausible prospects.

1. International framework agreements: Beyond continental Europe?

The rise of multinational enterprises (MNEs) and the attendant explosion in international investment and trade since the 1960s has fueled a variety of public efforts to regulate their activities across national borders. In the 1970s, the ILO and OECD undertook initiatives which produced important but not enforceable codes. In the 1990s, unions sought to insert labor clauses into the WTO but were unsuccessful (van Roozendaal 2002; Stevis and Boswell 2007a).

5 The author would like to thankfully acknowledge the comments and advice he has received from Susan Hayter, Konstatdinos Papadakis, Paola Pinoargote, Emily Sims and Glynne Williams in finalizing this working paper and to extend his deep appreciation to Tim Wallace for the editing.

6 This paper is a companion of and provides the broader context for an in-depth case study of the Daimler IFA (Stevis 2009).
The failure of public strategies gave rise to civil society initiatives aimed at the direct regulation of MNEs (for overviews of earlier efforts see Murray 1998; OECD 1999 and 2000; EWCW 2000a and 2000b; Jenkins 2001; International Labour Office 2003; Manheim 2001). The evident limitations of unilateral codes of conduct led to the intensification and diversification of civil society initiatives, sometimes referred to as ‘civil regulation’, to socially regulate corporations (for clarifications and overviews see Bendell 2000; Utting 2002; Oxford Research 2003; Murray 2004; Vogel 2008). Certification initiatives, such as the Forest Stewardship Council and Fair Trade, for instance, have focused on consumption as a strategy to improve the lot of communities and workers (on Forest Stewardship Council see Cashore, Auld and Newsom 2004; on Fair Trade see Raynolds, Murray and Wilkinson 2007; for a comparative critique of the strategies see Taylor 2005). Producer strategies, such as IFAs7 and various other workers’ rights campaigns, aim at promoting labor rights directly, especially for the most vulnerable categories in the global South (Robinson and Athreya 2005a and 2005b; Maquila Solidarity Network 2006). As civil regulation has risen in prominence, corporate responses have moved from unilateral codes of conduct towards increasingly more complex and ambitious multistakeholder approaches to corporate social responsibility (Utting 2002; Ruggie 2004; Crook 2005; Rondinelli 2007; Franklin 2008; ISO 2008). Critics, however, argue that these are also proving inadequate because they lead to the privatization of what should be publicly regulated and because they lack accountability (Christopherson and Lillie 2005; Newell and Weaver 2006; Network for Corporate Accountability 2006; Wells 2007; Shamir 2008).

The adoption of the IFA strategy by unions reflected a conscious effort to redirect the proliferating private codes of conduct away from discretionary forms of CSR and towards global social dialogue and industrial relations (ICFTU/ITS 1997; ICFTU 1997; Justice 2001; IFBWW 2003; Rübb 2004; Gallin 2008.8 The first IFA was negotiated in 1988, but 56 of the 709 active IFAs reported on Global Union Federation websites (as of February 1, 2010) have been signed since 2002. IFAs are largely in the private sector where globalization has most challenged unionization. While some of the companies that have signed IFAs are partly or largely publicly owned –such as EDF- publicly owned companies or employers have not been the target of the IFA strategy.10

After a flurry of agreements from 2002-2006 there has been a relative slow-down since 2007. There are two reasons for this relative slow-down. First, additional corporations approached by unions, such as Boeing, Nestle, Siemens, or Gerdau, have not been willing to negotiate IFAs. Second, unions have reviewed their strategy and have modified their expectations (IUF 2006; Rübb 2006; IMF 2006 and 2007a; BWI 2007; UNI 2007). These expectations emphasise that the new generation of IFAs must have stronger implementation and dispute resolution procedures and must facilitate unionization rather than simply consent to it. While some of the existing agreements come close, no agreement fully

7 The term ‘international’ or global’ framework agreement is used in a very limited number of cases. The majority of IFAs do include the term ‘agreement’ in their title but their titles vary widely (see European Commission 2008b, pp. 8-9).

8 The strategy builds on efforts to engage MNEs that go back to the late 1960s (Gallin 2008; Stevis and Boswell 2007b, ch 3).

9 Please see footnotes 11-19 for clarifications. For useful and authoritative lists see European Commission 2008b and Hammer in Papadakis 2008a, pp. 267-270.

10 Unionization rates in the public and private sectors have diverged radically in recent decades. In the USA, for instance, the density of unionization in the public sector is above 35% while in the private sector it is below 10%. While globalization is also affecting the public sector its impacts are less pronounced at this point and unions have adopted alternative strategies.
reflecting this new model has been signed yet. Were they to be negotiated, this new
generation of agreements would be a major development in terms of moving us in the
direction of strong global social dialogue and industrial relations. Given the skepticism
about IFAs expressed in various business quarters (Marquez 2006; IOE 2005 and 2007;
Bradley 2007; Bonini et al 2007) there may be few if any such agreements. On balance,
however, while the number of new agreements has declined their scope has expanded and
a number of agreements have been renegotiated. In what follows I examine the diffusion of
IFAs across sectors and countries.

Of the ten Global Union Federations eight have now signed or cosigned the 69 IFAs. The
leaders in that respect are the International Metalworkers’ Federation (IMF) (19),
Union Network International (UNI) (20), the Building and Woodworkers’ International
(BWI) (14) and the International Federation of Chemical, Energy, Mine and General
Workers' Unions (ICEM) (13). The first to sign an agreement, the IUF, has signed four
IFAs and an important Memorandum of Understanding with Coca Cola.15

After many years of efforts (Miller 2004 and 2008) the International Textile, Garment
and Leather Workers’ Federation (ITLGWF) succeeded in signing its first global agreement
with Inditex while the International Federation of Journalists (IFJ) also signed its first
agreement, both during 2008.16 The ICEM also renegotiated its agreement with Rhodia and
Statoil, the BWI has revised its agreement with Faber-Castell, and the IMF is in the process
of renegotiating its agreement with ArcelorMittal.17

Worth noting are the most recent agreements negotiated by UNI. During 2007 it
signed an agreement with Quebecor, the first Canadian company to do so. In 2008 it signed
the first two agreements with Brazilian companies (Ability and ICOMON) (UNI 2008c),
followed by a third agreement with a Brazilian company in 2009. Also in 2009 it signed an

11 Education International has not signed any IFAs or other global agreements while the International
Transport Workers’ Federation has negotiated the only global collective contract.

12 IMF and ICEM have cosigned the Umicore IFA.

13 UNI has also signed a Memorandum of Understanding with Metro (Germany) and another with
six members of Ciett—the International Confederation of Private Employment Agencies. It has also
signed an agreement with the Universal Postal Union. In its list of agreements UNI also includes
agreements with Allianz, Barclay’s South Africa, Nordea, and Skandia. These agreements have
special characteristics that differentiate them from the bulk of IFAs and are not counted here.

14 ICEM has cosigned the Lafarge IFA with BWI, the EDF IFA with PSI and the Umicore IFA with
the IMF

15 The IUF also includes its agreement with Club Med which does have extra-European reach.

16 It is possible, however, to consider an earlier agreement between the IULTGWFS’s European
organization and Triumph as that GUF’s first agreement. UNI signed a separate agreement with
Inditex in 2009.

17 The Agreement on Minimum Requirements for Plant Level Joint H&S Committees signed by
ArcelorMittal, the European Metalworkers’ Federation, the International Metalworkers’ Federation
and the United Steel Workers is an important agreement but is not included on the IMF’s master list
nor does the agreement itself mention the Arcelor IFA (USW et al. 2008). A knowledgeable analyst,
however, does consider it an IFA (Telljohann 2008) and the agreement is posted on the Iron, Steel,
and Non-Ferrous Metals sector of the IMF, which does not have a link to the Arcelor agreement,
however. According to participants the renegotiation of that IFA is in progress while the
implementation of the H&S agreement seems to be an important priority.
agreement with G4S, the first British company to sign an IFA and the second largest private employer in the world. Finally UNI signed the first agreement with the Japanese company – the high-end retailer Takashimaya (2008) and Inditex (2009). In addition to these new agreements it renegotiated its agreements with Telefónica and ISS (UNI 2008a). In short, UNI’s agreements have expanded the geography of IFAs.

Twelve of the 70 companies that have signed IFAs are now from non-European countries. Eight of these have signed agreements since 2006. This is an encouraging trend in itself, especially since this group now includes a British, a Canadian, and a Japanese company. Resistance to IFAs in those countries has been strong and these modest developments are worth noting. While no USA companies (other than Chiquita) have signed an IFA we must note the Coca Cola and the Cieett Memoranda of Understanding, with the IUF and UNI respectively, as promising developments. In fact, the Secretary-General of the IUF has suggested that the Coca Cola Memorandum has delivered some important results (Oswald 2008). Unless more USA, British, and Japanese companies sign IFAs, the globalization of the strategy will remain incomplete.

An important challenge has been that of the newly industrial or industrializing countries. South African companies Anglo-Gold Ashanti and Nampak were pioneers joined by Russia’s Lukoil. The negotiation of IFAs with three Brazilian companies is an encouraging step, despite the modest size of these companies (see, also, UNI 2008b). Gerdau Steel, which has been targeted for an IFA, has still not consented to negotiating one. The negotiation of additional agreements with companies from those countries as well as from South Korea, India, or China, would be positive developments.

Another important trend to watch is whether non-European unions have been involved in the negotiation and signing of IFAs or have expressed their support for the strategy (Stevis and Boswell 2007b). Clearly that is the case with the agreements involving companies from non-European countries. Also, a number of institutional arrangements provided for by IFAs allow for the formal participation of unions in addition to those of the country of corporate origin. While USA unions continue to be involved at arm’s length, there are some encouraging developments. The USW was a leading force in negotiating the Health and Safety agreement with ArcelorMittal (but see note 12). The Service Employees International Union has been an important force behind the G4S agreement but it is not one of the signatories.

While not well represented amongst the original negotiators and signatories there is some modest evidence of non-European unions engaging the strategy in the process of implementation. In late 2006 the BWI, national unions, and management from Skanska, Hochtief and Turner met to discuss the implementation of the Skanska and Hochtief IFAs in the USA. More recently the North American Cement and Building Materials Union Network, passed a resolution calling upon Lafarge to apply its IFA in a dispute involving the Uniter Mine Workers in Illinois, USA. This network includes the International Brotherhood of Boilermakers, the United Steelworkers, the United Mine Workers, the USA and Canadian Teamsters and the Laborers’ International Union of North America. The G4S IFA facilitated the resolution of a dispute between SEIU and the company’s USA subsidiary Wackenhut. There is also evidence of IFAs being implemented in the South with Southern union participation. The Daimler IFA, for instance, has been used to solve disputes in Brazil and Turkey (Stevis 2009).

18 The IMF’s Brunel agreement is worth noting here because it involves a Dutch company but the signatories are the IMF and an Australian union.

19 Turner is a Hochtief subsidiary in the USA.
Strong indicators that the IFA strategy is becoming more global would be the negotiation of more agreements with non-European companies as well as the up-front involvement by unions other than those of the country of origin. We also need to pay closer attention, however, to the implementation of IFAs along the supply chain in order to explore both their regulatory impacts and the involvement of additional unions and even other civil society organizations. While there is some strong research on the subject (Wills 2002; Riisgard 2003 and 2005; de Haan and Oldenziel 2003; Rudikoff 2005; de Haan and Dijk 2006; IFBWW 2004; IMF 2006; Egels-Zaden and Hyllman 2007) we certainly need more systematic case studies. These studies will allow us to both evaluate particular IFAs and identify best practices as well as ascertain whether the strategy is becoming global or whether it is largely a global projection of European social dialogue. If the latter, then we can expect that IFAs will remain one of various international union strategies with the implications that this is likely to have for global union politics and global social regulation.

2. International framework agreements: What kinds of social dialogue?

The previous discussion outlined some important variations across space and concluded with the question of whether IFAs are an emerging global strategy or a global projection of European social dialogue. Less this leads to the impression that this projection is homogeneous this part explores some of the important variations amongst European IFAs (e.g., Hammer 2005) employing a heuristic scheme associated with the concept of ‘social dialogue’ (Ishikawa 2003).

The ILO’s definition of social dialogue is very broad to include “all types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers and workers, on issues of common interest relating to economic and social policy” (International Labour Organization 2008). Moreover, “social dialogue processes can be informal or institutionalized, and often it is a combination of the two” (ibid). The ILO also indicates that the goal of social dialogue “is to promote consensus building and democratic involvement among the stakeholders in the world of work” (ibid). In short, social dialogue is both a set of practices and a strategy for achieving certain goals. IFAs, if implemented, clearly fall within these parameters.

The key characteristic of IFAs is not that they are negotiated. A number of other multistakeholder agreements are also negotiated. Their key characteristic is that MNEs recognize a global actor that represents workers, whether that is a Global Union Federation or a global employee organization. This is a major break from the previous era during which MNEs refused to even have informal interactions with unions at the global level lest they legitimize them (for a historical overview by a participant see Gallin 2008; Northrup and Rowan 1979). It is for this reason that a number of analysts have pondered the implications of IFAs for global social dialogue and industrial relations (Bourque 2005 and 2008; ORSE 2006; Ales et al. 2006; Drouin 2006; Descolonges and Saincy 2006; Müller et al 2008; Schömann et al. 2008; Schömann 2008; Papadakis 2008a and b; European Commission 2008a and 2008b; Telljohann et al 2009a and 2009b). Whether industrial relations contains social dialogue, is another term for it, or is a subset of it depends on how one defines the terms (Kaufman 2004). In general, I believe that social dialogue can be considered as a subset of industrial relations since the latter may not involve regularized

20 An upcoming volume to be edited by Konstandinos Papadakis of the ILO as well as a multinational project based at the Free University of Berlin start to fill this gap.
dialogue nor aim to be deliberative or consensual. Social dialogue, in that view, implies a clear commitment between participants who recognize each other’s legitimacy to resolve conflicts and establish policies through dialogue rather than force.21 This does not mean that more conflictual tactics and strategies may not be used. It does mean, however, that unilateral arrangements, such as codes of conduct and philanthropic practices, and authoritarian or revolutionary policies are not examples of social dialogue. To these exceptions I would add negotiations that take place only as a last resort, as is the case in most of the USA private sector. Finally, I would exclude human resource management policies that do not include unions or independent employee organizations with strong union participation (Lewchuk and Wells 2006). An important question here is how to differentiate such arrangements from enterprise unions, like those common amongst Japanese corporations (Benson and Gospel 2008). This is an important issue because, as Marginson et al. (2008) suggest, more and more MNEs are adopting microcorporatist human resource strategies. While unions and independent employee organizations are opposed to management-driven microcorporatism one must consider whether particular IFAs lean in the direction of global enterprise-unionism and the implications of such a trend for global social dialogue (Brewster et al 2007; Seifert 2008).

In conclusion, a social dialogue is a historical institution, not an event. Like all institutions, particular forms of social dialogue are the product of social struggles and compromises over their parameters. And like all institutions they depend on historical dynamics while also influencing these dynamics. It is not surprising, therefore, that there are various forms of social dialogue, as there are of industrial relations (see Leonard et al. 2007; Branch 2005; de Boer et al 2005). At one extreme we will find commitments to formalized discussions, often on a wide variety of issues, without a commitment to reaching a policy outcome. At the other we will find dialogues whose end goal must be some form of social policy. Because forms of social dialogue are the product of historical and strategic dynamics we should not assume that a weak social dialogue is a step towards more profound social dialogue or policy. Rather, it may very well be an end in itself, legitimating particular relations amongst the participants and channeling their interactions accordingly. Dramatic changes in the parameters of a social dialogue are less likely to take place through the dialogue itself. Rather, they are more likely to be the result of renegotiation on the basis of the capacities and strategies of the various parties.

With the above clarifications in mind I examine IFAs in terms of participation, content and intensity: the dimensions used to analyze social dialogue (Ishikawa 2003). This heuristic allows for a more comprehensive examination and comparison of the kinds of social dialogues reflected in IFAs. An added utility of this scheme is that it can be easily adapted to compare IFAs to other forms of global civil regulation and governance, such as various certification schemes, in terms of their implications for social responsibility and social accountability.

### 2.1. Participants

IFAs can be considered as governance mechanisms which reach well beyond the formal employees and management of the corporation. This is so because many of the corporations that have signed agreements are amongst the leaders in their sector and because IFAs aim to cover the whole supply chain. As a result a thorough analysis of participation must account not only for those actors that participate in the process, but also

21 I use the term force to denote physical or legal practices whose aim is to deny standing of any sort for an affected party. The absence of force does not imply the absence of power. Power can be exercised in various ways, force being only one of them.
for those that are ‘represented’ by participants and, finally, those that are invisible yet very much part of the chain (see Pailot 2007). For the purpose of this report I limit my discussion to MNEs and the associated unions or employee organizations and suggest the possible implications of different patterns of participation for global social dialogue. IFAs are a form of bipartite dialogue between management and unions or employee organizations, largely in the private sector. Yet, one should also ask which management and which labor. In the case of management it can be argued that their headquarters would be the principal participant. However, subsidiaries have to face local challenges with more or less autonomy (Brewster and Suutari 2005; Tüselmann et al 2006 and 2008; Morris et al 2008). In the case of multi-divisional corporations the differences may be even more pronounced and that can also be the case with business alliances. Nissan, for instance, is operationally controlled by Renault but is not party to the relevant IFA. The same applies to Peugeot-Citroën’s company-owned supplier Faurecia. In short, existing IFAs may be broader or narrower in terms of who is involved and who is covered from the point of view of management. Organizational variability is likely to affect the implementation of agreements even amongst companies sincerely committed to their implementation.

Another variability that is evident, however, reflects the ways in which MNEs have adjusted to domestic politics. There is strong evidence, for instance, that MNEs in South Africa have had to take into consideration that country’s broader policy directions as well as the influential role of labor unions. In the case of China MNEs have had to adjust to the developmental strategy of the country and the dynamics between party and unions. In the case of India, union fragmentation and subfederal variability have also influenced MNE strategies. The implementation of IFAs in Brazil is markedly different than their implementation in the USA or Mexico. In short, domestic politics casts a variable shadow on MNE strategies, in general, and with respect to IFAs, in particular (on variability of MNE strategies see Farndale et al 2008; Tüselmann et al 2008).

Similar issues can also arise with respect to workers (Müller et al. 2005 and 2006; Stevis and Boswell 2007b). The global union network is a multilevel one that has become more complicated in recent years (Stevis and Boswell 2007a). As we look at IFAs we notice that the participants on the worker side include combinations of national, regional and global union organizations as well as enterprise-based workers’ organizations, such as the European Works Councils and the World Works Councils (Steiert 2001; EWCB 2002b; Rüb 2002; EWCB 2005; Benites 2005; Beinaert 2006). It stands to reason that agreements with limited participation may engender conflicts while their institutional arrangements may not travel across systems of industrial relations (Torres and Gunnes 2003; USW 2006).

The relationship between unions and employee organizations is another important question (Whithall 2005; Brewster et al 2007). While existing global employee organizations are indirectly accountable to union members they can develop relative autonomy the same way that European and national works councils have. Moreover, there is enough evidence that various European and national councils are closer to management than to unions. This is a particularly important question in light of the findings by Marginson and his collaborators (2008) regarding the growth of “consultation-based forms of employee representation as an alternative to traditional union-based arrangements focused on negotiation amongst a key group of employers.”

It is to be expected that IFAs will vary a great deal, given the companies, sectors and countries that they cover. One must ask, however, whether this variability will result in a multitude of microcorporatist social dialogues that may work at cross-purposes or whether there are enough synergies amongst them to produce a more cohesive global social

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dialogue. It would seem that those agreements where employee organizations or specific unions set the agenda with limited or no concern for the broader implications, are likely to lead to the emergence of various conflicting dialogues. Those where global union organizations and networks play a central role offer more hope for a more comprehensive outcome (for an example of a union network see Rüb 2004b). Thus, the role of Global Union Federations which, at this point in time, are the most inclusive global workers’ organizations (see Stevis and Boswell 2007a) is a significant criterion. To the degree that they are involved – which means that their role is legitimated by both management and unions – we can talk about an emergent global social dialogue and industrial relations that cuts across countries and corporations.23

2.2. Content

Social dialogue and industrial relations are based on understandings as to which issues are on the agenda and which are not. An agenda may be very comprehensive or very narrow. A social dialogue or a system of industrial relations may deal, for instance, with the whole organization of the economy or simply the practices of a corporation. Even then it may cover the whole range of labor rights and standards or may only address occupational health and safety. In terms of coverage it may include the whole supply chain or may be limited to the formal employees of the corporation involved.

IFAs are centered around a few core labor standards and rights, particularly the rights of association and collectively bargaining, aiming to enable workers to unionize (for useful summary tables see Papadakis 2008a, tables 2-4), What is significant from the point of view of global social dialogue is the source of inspiration for these rights. Many IFAs clearly identify the ILO but some give equal position and even primacy of place to the Global Compact. These choices are not accidental but reflect the ongoing debate between public and private social regulation (for management views that highlight this concern see BDA 2006; IOE 2007). To the degree that the ILO or other public instruments are specified as the inspiration for and the arbiters of the meaning of the labor standards and rights specified in IFAs to that degree IFAs contribute to the emergence and legitimacy of a global public domain (Drachos 2001). References to the Global Compact or other private organizations and initiatives, on the other hand, add legitimacy to the privatization of social dialogue and, thus, of authority (for different views see Ruggie 2004 and Shamir 2008; see, also, O’Rourke 2006; Schömann 2007).

Global social dialogue and industrial relations cannot be based on national standards. Unions argue that references to national practices could well lower the floor exactly in those countries most in need of improvement. Corporations, on the other hand, argue that the application of international standards not consistent with domestic law can cause legal problems. Evidently, any practice that allows lower standards (national or international) weakens global social dialogue and regulation and defeats the purpose of IFAs. While IFAs are limited in the ways mentioned above, their aim is not simply a common set of standards but the continuous improvement of labor standards, starting from the global labor standards as established and interpreted by the ILO. While there may be real obstacles in

23 I am not suggesting that GUFs can or should be the only union organizations to negotiate and administer IFAs. They do not have the resources for that while involvement by national unions is necessary and desirable for many reasons (see Stevis and Boswell 2007a). I am suggesting, however, that they must play a central role if IFAs are to promote a broader rather than a narrower global social dialogue. It is not surprising that the only global collective agreement has been negotiated by the ITF, the most supranational of the GUFs. For a related argument see Hyde and Ressaissi, 2009.
terms of upholding those standards in some countries, these obstacles cannot be used to legitimate a downward spiral.

IFAs that are widely divergent in terms of their content are likely to hamper the promotion of global social dialogue and regulation and may result in the proliferation of enterprise-based rules that work at cross-purposes. This is not to say that global social dialogue should not allow for national and regional variability. Rather, it is an expression of concern about such variabilities crystallizing in practices that are actively at odds with each other. Given the length of time that it has taken for the global union movement and the ILO to reach agreement on what constitutes internationally recognized labor rights it would be unfortunate if this consensus were compromised downwards.

2.3. Intensity

A social dialogue may be very inclusive in terms of participants and comprehensive in terms of content but, also, very superficial. The weakest dialogue would include the communication of information while a bit more profound would be that of consultation. An example would be the European Works Councils which are set up for the consultation and information sharing - the latter being more frequent than the former (for overviews of EWCs see Beinaert 2006; Patriarka and Welz 2008).

Negotiation would be the next level of intensity. Negotiation implies that corporations see unions or workers’ organizations as active counterparts rather than recipients of information or submitters of views as would be the case under consultation. IFAs clearly involve negotiations between workers and management at the global level (Hammer 2005; BEERG 2007; Gerrard 2008). Any binding commitments or actions that come from such a social dialogue are the result of the dynamics between the negotiators and only them. With the exception of an ITF-negotiated collective contract (Lillie 2006) and the possible exception of the recent ArcelorMittal health and safety agreement (USW et al. 2008) IFAs are the only instruments of direct global negotiations between capital and labor. For that reason alone they are a new and interesting phenomenon. However, while negotiated, IFAs are not legally binding policies.

The EU-mandated social dialogue manifests a higher level of intensity because the long term goal is the production of binding EU level rules, a goal reinforced by the prospect that the EU will adopt a rule in the absence of progress (Smismans 2008; Branch 2005; De Boer et al 2005). The EU’s social dialogue has been slow but it is certainly unique at the global level (on EU social dialogues see Leonard et al. 2007; for relevant business views see BDA 2006). Here, moreover, it is worth noting that since 2001 the European Social Dialogue has employed the second of two options allowed, i.e., negotiation and implementation based on the initiative of the major partners (labor and business). While this move is still taking place in the “shadow of hierarchy” it does accentuate the relative autonomy of the partners. In that vein it is worth exploring whether and how a European Social Dialogue without EU policies can cast a shadow beyond Europe.

24 “Joint texts” that have been negotiated between European Works Councils and corporations often have global implications but are not negotiated by global union organizations nor, often, by global corporations (see EWCB 2005; European Commission 2008b). On ‘European Framework Agreements’ negotiated by EWCs and European Union Federations see European Commission 2008b; also Telljohann et al 2009a and 2009b.
Finally, collective bargaining and national level agreements are the strongest kinds of social dialogue because they are binding and enforceable. The only instance of global collective bargaining has been that between the ITF and the International Maritime Employers Committee (Lillie 2006). According to some analysts some “joint texts” between European Workers Councils and particular corporations may be close to collective bargaining (EWCB 2005). Moreover, some analysts and practitioners see elements of particular IFAs as being close to collective bargaining.

This general account of the intensity of IFAs is formally accurate but may not be complete. As with participation and content, the intensity of IFAs varies. In very few cases, involving world company councils, IFAs are ‘legalized’ as a result of the legalization of the bodies entrusted with the operation of the agreement. In those instances in which IFAs have facilitated the negotiation of national collective bargaining agreements one could argue that IFAs have become a bit more intense. In short, the implementation of IFAs has an important dynamic of its own (Stevis 2009). Finally, it is advisable to pay attention to the discrete shadow of the state. In the case of France, for instance, the requirement that enterprises report annually on their corporate social responsibility practices may be considered as preferable to binding regulation. A similar dynamic may be present with respect to the European Union’s move towards CSR rules. More recently, Norway has called for Norwegian companies to sign IFAs. In-depth case studies will allow us to better understand whether the implementation of IFAs and the shadow of the state have affected their intensity (as well as participation and content).

In closing this part it is worth noting that both unions and corporations involved in IFAs have expressed concern about the absence of public policy and, in general, there is agreement that IFAs are not a substitute for public policy. There is serious disagreement about the nature of such policy, however. From the point of view of corporations it should enhance flexibility and provide incentives to do the right thing -responsibility. From the point of view of unions policies should set more explicit parameters for corporate behavior -accountability. A multidimensional examination of IFAs can serve us well in understanding whether they are leading towards more responsibility or accountability, and at what level they are doing so (Schömann 2007; Thomas 2008).

25 While I am not familiar with any instances of national level agreements that do not involve social dialogue a great deal of collective bargaining around the world is not based on social dialogue in the formal sense of the term.

26 The United Steelworkers of America, however, considers the occupational health and safety agreement that it has signed with ArcelorMittal (along with the EMF and the IMF) as a “binding global collective bargaining agreement” (USW 2008).

27 That would be even more so if these agreements are global (please see previous note).
3. What explains IFAs?

The previous parts have shown that at the global level IFAs remain a largely continental European phenomenon, with some encouraging evidence of their globalization. At the European level there is also significant variation amongst existing IFAs. Such variability suggests that there are various factors that influence, directly or indirectly, the negotiation and characteristics of IFAs, despite the fact that they are the product of a common strategy. I believe that close attention to these factors is particularly pressing at this moment. On one hand, the global economic crisis seems to narrow the potential for more IFAs as corporations and unions are confronting existential problems. On the other hand, the crisis has placed the question of global regulation on the agenda.\(^{28}\)

Conveniently, the factors that influence the emergence and characteristics of an IFA, and thus their variability, can be divided into external and internal ones (see, also, ORSE 2006; Egels-Zaden 2008; Schömann et al. 2008; Papadakis, Casal and Tsotroudi 2008; Telljohann et al 2009). External factors are those to which corporations and unions must respond, such as crises, public policies, and changes in sectoral and global economies, as they seek to negotiate the broader world economy and their own internal dynamics (Danielsen 2005; Dicken 2007; Fuchs 2007). Because internal and external factors are related and, in fact, mutually constituted, theoretical approaches that seek to capture their historical concatenations are particularly useful. These would include research that focuses on ‘varieties of capitalism’ at the level of whole countries (e.g., Hall and Soskise 2001; Busch 2005; Levi-Faur 2006; Jackson and Deeg 2008), research that focuses on varieties of corporations (Doremus et al. 1998; Dicken 2007; Collings 2007; Marginson et al. 2008; Matten and Moon 2008; Morris et al 2008) as well as research that focuses on varieties of unions and unionism (e.g., Zeitlin 1987; Frege and Kelly 2004; Pulignano 2006; Anner et al 2006; Greven 2008). However, we need to temper the bias towards variability immanent in the above approaches by recognizing that global integration is both shaped by and shapes the various national or corporate traditions (Raess 2006; Tüselmann et al 2006). Whether these interactions will lead to more convergence (as global dynamics become more prominent) or more divergence (as states protect national champions) is an important theoretical and empirical question. Most likely, in my view, they will lead into path-dependent syntheses drawing upon the particular internal and external factors in which the various actors find themselves (for such an approach see Dicken 2007).

**External Factors.** The origins of the IFAs suggest that corporations from countries characterized by some form of coordinated capitalism are more likely to consider an IFA than corporations from countries with more liberal and thus conflictual traditions. The fact that 57 of the 70 IFAs are from continental Europe offers support for this hypothesis. However, the hesitation of Japanese companies suggests that not all collaborative industrial relations result in IFAs.\(^{29}\) In their study of employee representation and voice in

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\(^{28}\) It is worth remembering that crises have uneven impacts on unionization. The Great Depression, for instance, was a period of dramatic union growth in the USA while the 1980s were a period of rapid union growth in the industrializing world at the same time that unionization in the private sector in the industrial world entered a period of decline. These developments suggest that political factors can have as much of an influence as economic factors.

\(^{29}\) These categories will have to be further refined to accommodate the industrial relations traditions of newly industrial countries who have been influenced by corporatism. Insightfully, Bull (2007) suggests that Southern countries have become the arena of regulatory competition as they try to accommodate the diverse labor or environmental provisions attached to their trade agreements with Northern countries.
multinational companies in the UK Paul Marginson and his collaborators (2008) employed five categories in terms of country-of-origin (rest of world, USA, Japan, UK and Continental Europe) and found that MNEs from the ‘rest of the world’ and the USA were the “least likely to have any form of representative structure” while Japanese companies tended to have non-union arrangements and UK companies a mixture. Continental European companies were the most likely to have union representation.

Even in countries without formalized economy-wide social dialogue, however, we can identify instances of constructive relations between specific unions and corporations, whether due to a welfare capitalist tradition or for other reasons. North American and British corporations and unions have been skeptical about the IFA strategy (USW 2006; Herrnstadt 2007) but there is tentative evidence of movement in that direction, as exemplified by developments associated with ArcelorMittal (IMF 2007b; USW et al. 2008) and the NAG, Quebecor and G4S IFAs. Moreover, there are continuing efforts to sign an agreement with Coca Cola (Oswald 2008) while British and USA unions have also placed IFAs on their agenda (UNITE – The Union 2008; CWA 2008). Beyond North America and Europe the strategy has also attracted attention in Brazil (UNI 2008b and 2008c), Russia (Lukoil IFA), a number of industrializing countries in the Americas and East and Southeast Asia (personal communications), as well as in South Africa (AngloGold and Nampak), Australia (NAG and Brunel) and New Zealand (Fonterra).

Since existing IFAs are largely associated with a particular kind of capitalism and industrial relations then we must confront two important questions. Can the strategy survive the weakening of these national institutional arrangements due to the more liberal attitude of the European Union, or their demise, due to global liberalization? Can the strategy become globalized at all and, if so, what kinds of adjustments will be necessary given that it is a European product?

In that vein, analysts should also pay closer attention to the shadow of state policies. The case of VW is illustrative with both state and federal governments in Germany willing to challenge the European Court of Justice to prevent Porsche from total control of the company. Social responsibility reporting policies, such as those adopted a few years back in France, may well facilitate new IFAs. More recently, Norway has expressed support for negotiating more IFAs while some unions favor government policies that will facilitate the negotiation of IFAs. Finally, the current economic crisis has strengthened the role of the state. There is no guarantee that this will result in stronger public labor policies or more IFAs but it may have implications for the implementation of IFAs in critical countries.

While the origin of most IFAs does suggest that experience with a more collaborative industrial relations is an important explanatory factor it cannot be considered a sufficient factor since many European corporations have refused to negotiate an agreement (and only one Japanese company has negotiated an IFA). For this reason I think that we should also pay close attention to internal factors.

**Internal Factors.** Here we have some good hypotheses but even less in terms of detailed studies as to why MNEs negotiate or refuse to negotiate an IFA (for useful explorations see Müller et al. 2005 and 2006; ORSE 2006; Pailot 2007; Egels-Zaden 2008; Schömann et al. 2008). One strong hypothesis combines the internationalization or plans for internationalization with the ability of unions or employee organizations to influence this dynamic. High union density, as is the case in the automobile sector, or other political or social resources that unions often possess may lead the corporation to negotiate an agreement in order to prevent labor unrest as well as legitimate its internationalization strategy.

In addition to strategies of internationalization, a corporate culture committed to social responsibility and dialogue, as may be the case in some family owned or controlled companies, also seems to be a factor in some cases. Public scrutiny and the possibility of public regulation are also possible incentives (ORSE 2006). Finally, some MNEs may see agreements as part of a strategy to bring some order to their human resource management
(on globalization of HR management see EIRR 2000; Brewster and Suutari 2005; Farndale et al 2008; Parry et al 2008; Morris et al 2008).

Concern over global outsourcing and restructuring goes a long way in providing a general explanation as to why some unions choose to pursue an IFA while others do not (for possible hypotheses see Müller et al. 2005 and 2006; Stevis and Boswell 2007b). We do not have detailed studies, however, of how specific union strategies and goals have been formulated, what determined who participated in the negotiations, or what were the dynamics between national and international union and employee organizations.

The internal factors explaining why MNEs and unions join in IFAs are pertinent to better understanding their content and implementation. Agreements negotiated by a company to get out of a public relations problem are not likely to lead to sustained global dialogue compared to agreements negotiated with workers to manage change. Agreements negotiated by unions or employee organizations for particularistic reasons are not likely to lead to international union collaboration and broader social dialogue and industrial relations (for possible hypotheses see Pulignano 2006; Stevis and Boswell 2007b; Greven 2008).

Because the factors that lead MNEs and unions to negotiate IFAs do vary, despite the general pattern that I have identified, we can expect that there will be variation amongst the various IFAs in terms of the global social dialogue and industrial relations that they will engender. As noted in the introduction, I do not believe that variation is inherently negative and, in any event, it is unavoidable. It does become a problem, however, when it leads to fragmentation rather than synergies.
4. Conclusions

In general, then, IFAs are an example of bipartite, corporation-level global social dialogue in the private sector. While global in reach –because they involve global corporations – they are still not global in origin. This paper has noted some encouraging developments in that regard. Additional research on the deeper globalization of the IFAs in the process of implementation would allow us to reach an even more accurate evaluation of the geographic reach of the strategy.

While the variability amongst IFAs is evident we should not forget that they are also the result of an identifiable strategy. In the absence of binding global rules, IFAs can converge towards a more comprehensive and institutionalized global social dialogue between management and workers if they involve organizations that can provide a bridge across them, are centered around common principles, and involve meaningful negotiations. Since there is variation amongst the IFAs with respect to these characteristics and implementation is a dynamic process we can expect to see continued variation across IFAs. The question is whether the differences amongst them are deep enough to produce various social dialogues working at cross purposes. Equally important is the question whether these social dialogues are leading towards global social accountability.

Corporations that have signed IFAs recognize that these are negotiated agreements which establish global union and employee organizations as legitimate interlocutors. They prefer, however, to see them as an instance of weak social dialogue within the parameters of corporate social responsibility. On the other hand unions see them as a stronger form of social dialogue whose aim is to further the unionization of the labor force and global social regulation. Comparisons of more recent agreements to older ones, as well as in-depth studies of the content and implementation of existing agreements, will also help us reach better grounded answers to this question.

Whether and how the current financial crisis will affect IFAs is an important question in this vein. I have argued that while the crisis imposes serious constraints it also offers a constitutional moment in terms of global regulation, in general, and IFAs, in particular. While I cannot offer specific predictions I suggest that we will be well served to take into account both the external and internal factors at play. Here I can envision three scenarios. One scenario is that the current economic crisis will be overcome through global governance that does include a social dimension. Such an outcome is likely to engender more global social dialogue that may lead to stronger forms of IFAs and, hopefully, stronger forms of public social regulation. A second scenario is that of more global governance, such as evident in strengthening the IMF, without a commensurate strengthening of social regulation. Such an outcome will lead to important tensions, further alienating those harmed by global integration. Finally, a third scenario, and one very much related to the second one, may involve the intensification of national or regional governance as countries try to navigate the crisis on their own. If IFAs survive and even grow under the last two scenarios then that would be evidence that global social dialogue and global social regulation are a permanent part of the landscape. As I have noted, however, we will still have to address the question of what kind or kinds of social dialogue are at play.
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