

# Impact of transnational framework agreements on corporate governance

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# Objectives: if and how involvement of workers is a benchmark for corporations?

## Evaluation of trade unions and workers representation' involvement in the process of IFAs.

### 1. Impact on working conditions and core labour standards

=> Do IFAs strengthen respect of workers rights – thus allowing trade unions to adapt to global boundaries of MNs

= > is there any regional specificity?

### 2. Impact on labour – management relations

= > Promotion of social dialogue within MNs?

⇒ Recognition of workers rep + trade union as legitimate partners?

⇒ Do IFAs influence corporate culture and how?

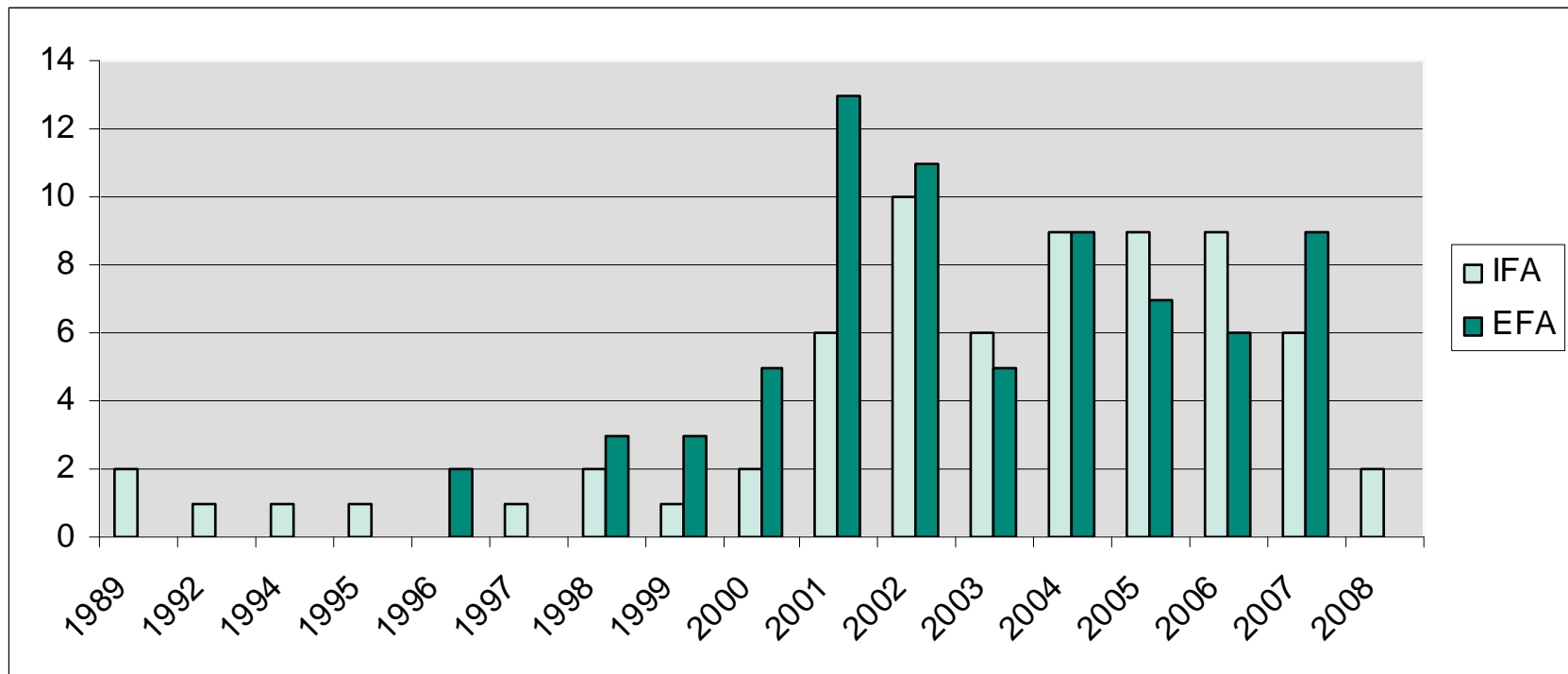
### 3. Impact on industrial relations

=> New level of transnational private regulation of bargaining?

=> Do IFA compensate a lack of enforceable transnational tools ?

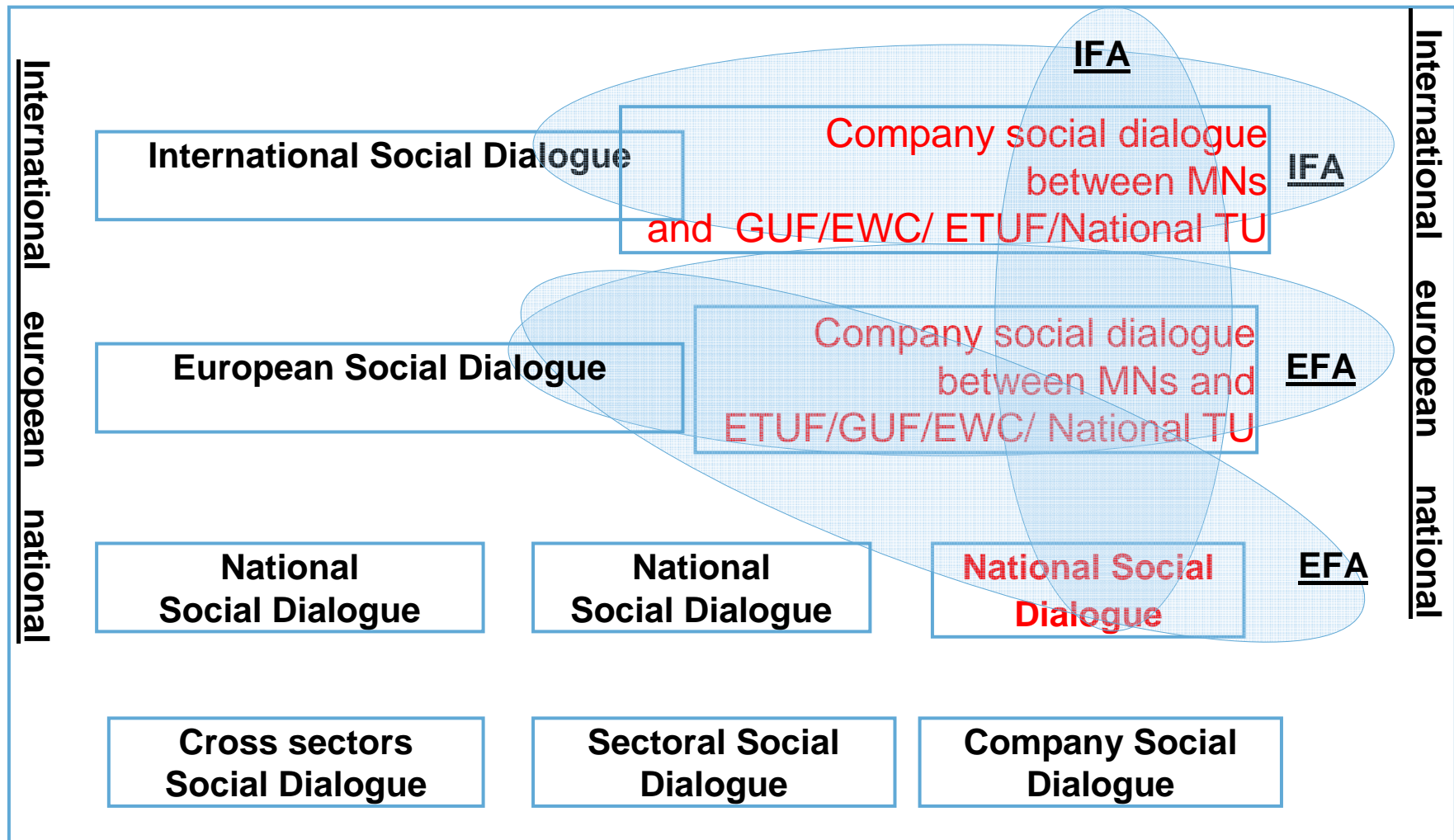
# Number of IFAs and EFAs signed per year

Source: Telljohann et al. 2009, 21



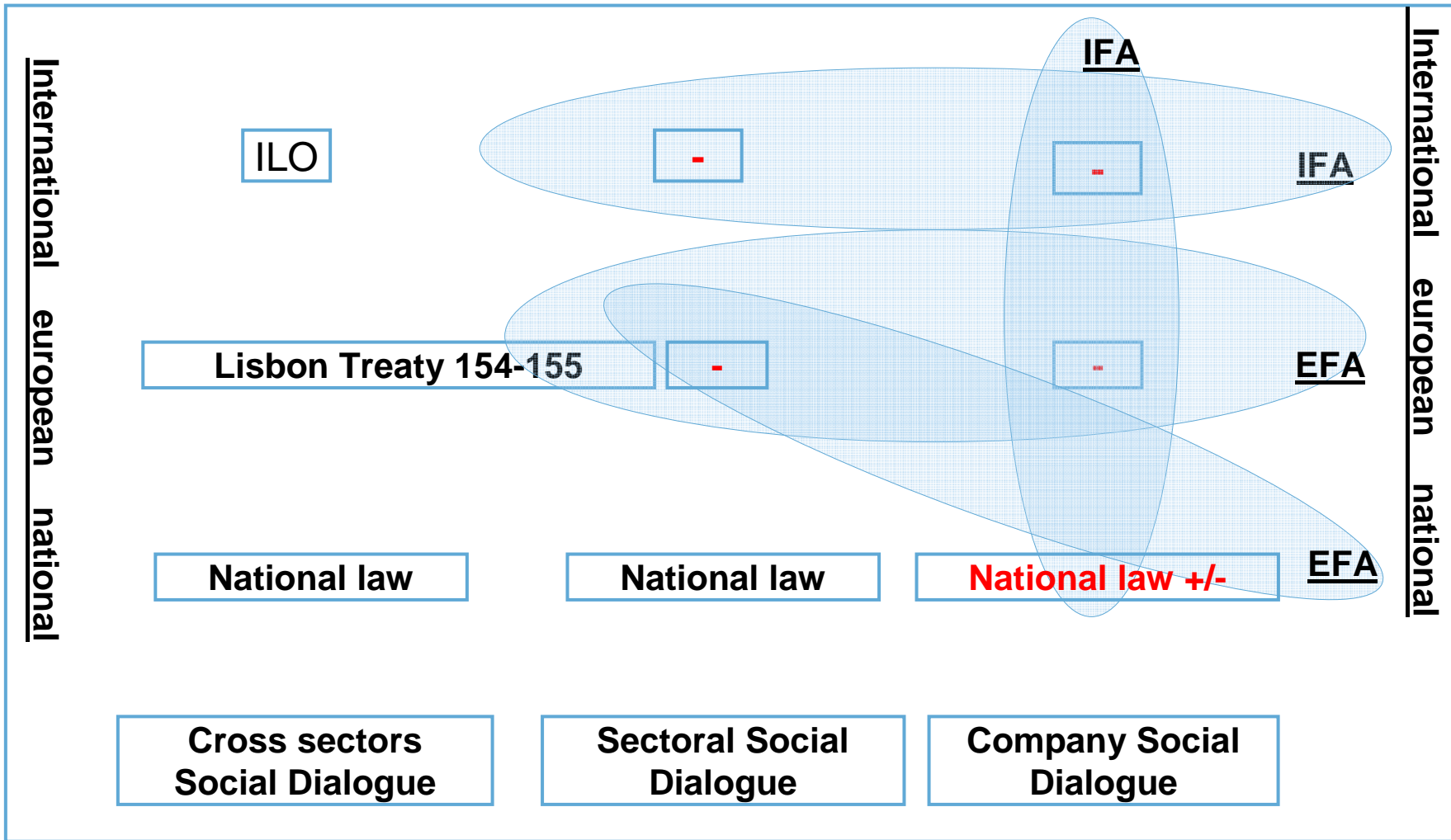
# Transnational social dialogue 1

## General overview



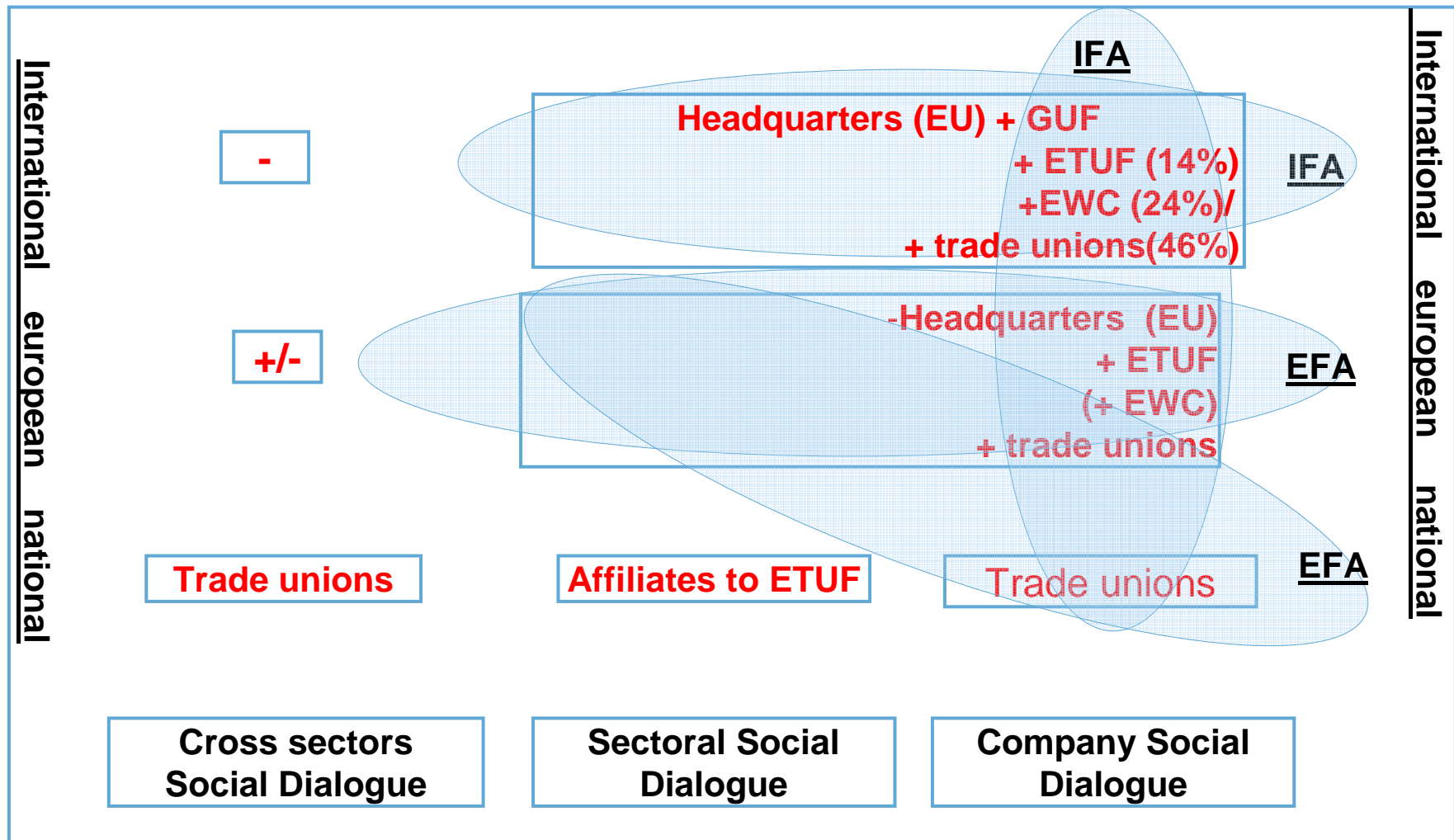
# Transnational social dialogue 2

## Institutionnel and legal framework

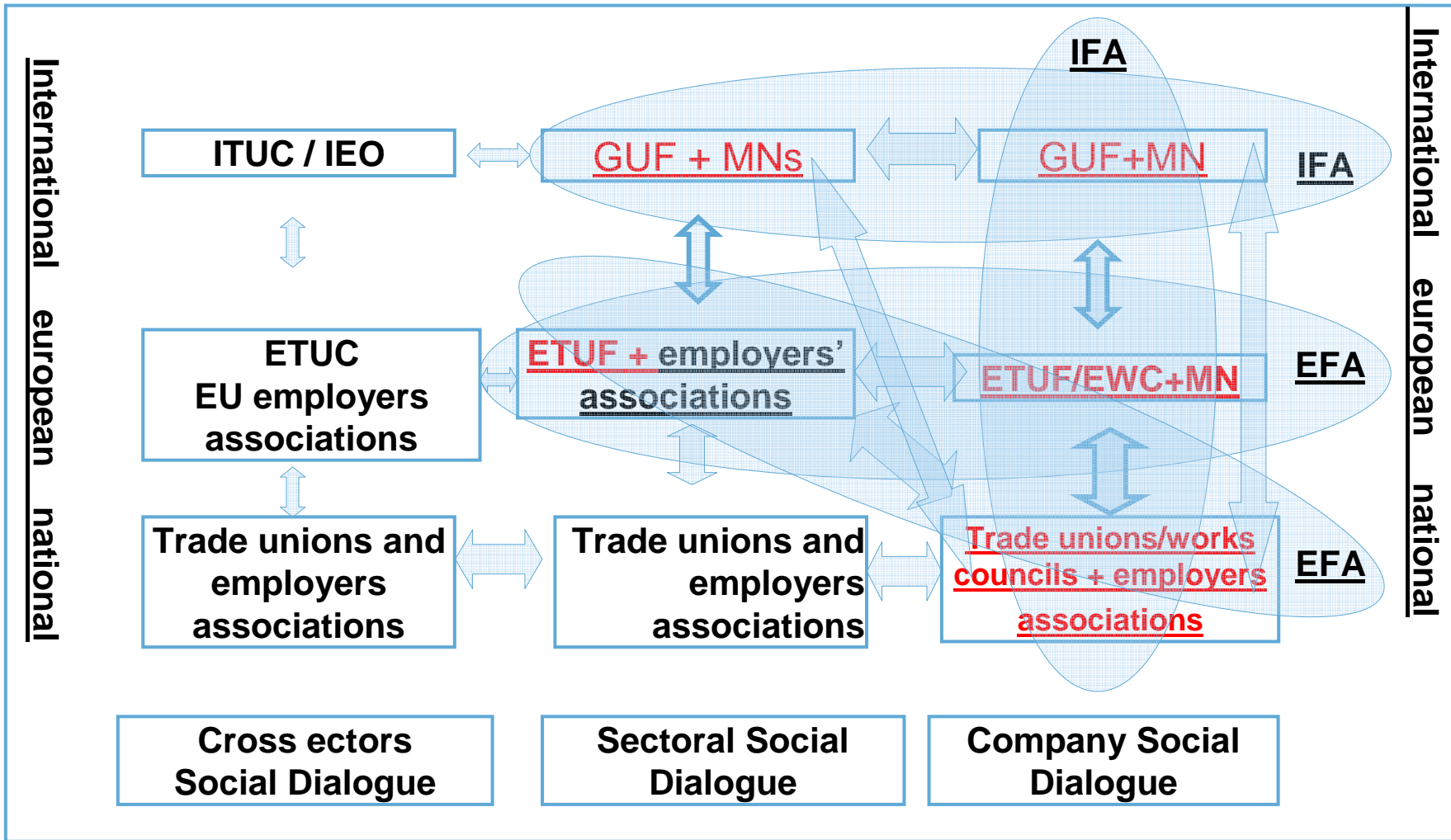


# Transnational social dialogue 3

## Actors



# Transnational social dialogue 4 Interactions



## Background and methodology

- Follow up of 2008 research project ‘Codes of conduct and IFAs as new forms of governance at company level’ (Eurofound, Schömann et al.)
- 2009 ‘European and international framework agreements: practical experiences and strategic approaches’ (Eurofound, Telljohan et al.)
- Recent development in trade unions strategies in respect of TFAs/IFAs
- Methodology:
  - Empirical analysis based on interviews of ETUF
  - Empirical analysis based on interviews of EWC – new created structures
  - Empirical analysis based on interviews of GUF



# Methodology

- Case studies:

	Metal Steel	Services	Retail – Furniture	Energy
	<b>Arcelor</b> (LU- 2005)	<b>Securitas</b> (SE-2006) <b>Telefonica</b> (ES- 2001/2007)	<b>IKEA</b> (SE-2001)	<b>EDF</b> (FR-2005) <b>Areva</b> (FR-2006)
<b>EIF</b>	EMF	UNI Europe	EFBWW	EMCEF
<b>GUF</b>	IMF	UNI Global	BWI	ICEM, IFME, WFIW
<b>EWC</b>	EWC	EWC	<b>Global Compliance + Monitoring Group</b>	EWC v. CCSR

# Impact on labour – management relationship within MNs

## 1. Social dialogue?

- Formal relations between management and workers' rep/trade unions rep.
- Dealing with working conditions / workers' individual + collective rights/ trade union rights
- Establishment of workers' rep. structures

## 2. Promotion of social dialogue within MN:

- Initiative / participation to process of negotiation / implementation
- Structures and procedure
- Conflict resolution

## 3. Promotion of social dialogue with GUFs / ETUF

- MNs' relations with transnational network of workers' representation
- Impact on MNs of GUFs / ETUF strategies

# Impact on labour – management relationship within MNs

## Promotion of social dialogue within MNs

### • General

- Good social dialogue culture as precondition to IFAs
- Recognition of workers' rep.+ trade unions as legitimate partners
- Initiative of trade unions + workers rep. at local level
- Participation to the entire process of negotiation (different forms)

### • Implementation/Monitoring

- Joint information and dialogue structure: EWC v. ad hoc bodies
- EWC as facilitator in terms of structure and procedure
- Joint monitoring: regular (yearly) meeting for reporting
- Adaptation to global remit of MNs v. regional scope of application of EWC
- Promotion of information and consultation structures

### • Grievance procedure

- Chain of grievance mechanism – step by step involving local/regional/national / global levels
- 'In house' mechanisms – cooperation management and workers' rep
- Confidentiality

# Promotion of social dialogue between MNs and GUF / ETUF

- **MNs relations to transnational network of workers' representation**
  - Recognition of GUFs /ETUF as legitimate partners
  - With access to subsidiaries / suppliers / subcontractors
  - To promote good working conditions, workers' rights and trade unions rights
- **Impact on MNs v. GUFs / ETUF strategies**
  - Asymmetry: no branch representation on MNs side
  - Social dialogue and workers' participation as risk management tool
  - Enhance transnational trade union coordination
  - New negotiation strategies (model agreement / cooperation with workers rep. Bodies, guidelines, policies)
  - Synergies: 'snow ball' effect within a sector / between sectors
  - Increase in trade union coverage on MNs => trade union membership?
  - Ownership of global issues => trade union response to globalisation

## Impact on trade unions strategies

	<b>ETUF</b>	<b>GUF</b>
<b>Strategy</b>	Collective bargaining on the basis of partnership	To force MNs to sign ACI 'Model agreements'
<b>Role</b>	Transnational bargaining based on transnational coordination	International cooperation / coordination of trade union action
<b>Enforcement</b>	Recourse to local collective bargaining tools-	Little control
<b>Conflict resolution</b>	ADR	ADR
<b>Suppliers Subcontractors</b>	Direct impact	Less direct impact

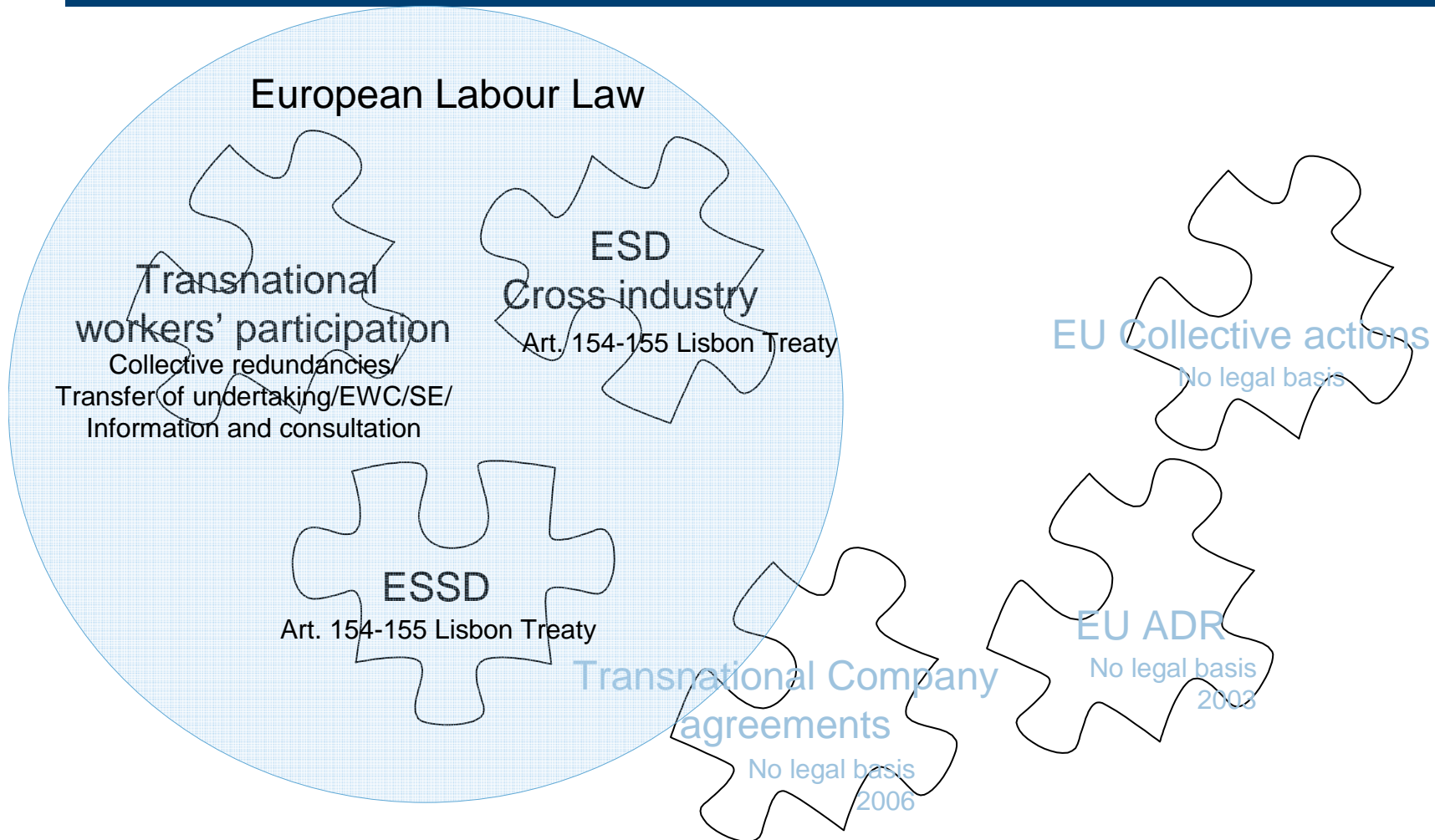
# Good practices and performance indicators

	<b>GUF</b>	<b>EIF</b>	<b>EWC/ad hoc body</b>
<b>Recognition of trade unions rights</b>	<b>+</b>	<b>+/--</b>	
<b>Commitment to enforce specific workers rights</b>	<b>+/-</b>	<b>++</b>	<b>+</b>
<b>Recognition of trade unions as legitimate partners</b>	<b>++</b>	<b>+</b>	<b>-</b>
<b>Better communication between labour-management</b>	<b>+</b>	<b>++</b>	<b>++</b>
<b>To launch negotiation between management and labour</b>	<b>+</b>	<b>++</b>	<b>+</b>
<b>Conflict management tool</b>	<b>+</b>	<b>++</b>	<b>+</b>

# Conclusion

- **Install mutual trust / better social dialogue**
- **Strengthen trade union representation – action world wide**
- **Develop conflict resolution mechanisms**
- **Give local level trade unions the capacity to act globally**  
=> Involvement of trade unions and workers rep. as a benchmark for an efficient implementation of IFAs with a sample of best practices
- **Private standards setting** (to overcome national limitation of labour law and trade union actions) – thus implementing international norms via private norms to compensate a lack of enforceable international tools?  
**EU (growing demand for legal framework) v. Global (push for more self regulation).**

# Transnational social dialogue: Towards an European industrial relations system?





# CONCLUSION

THANKS FOR YOUR ATTENTION