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**Background Paper on International Framework Agreements  
for a meeting of the Restructuring Forum devoted to  
transnational agreements at company level**

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## 1 Introduction

Since the 1990s trade, investment and productions have significantly been influenced by increasing internationalisation. Numerous indicators are showing this development. World trade almost doubled between 2000 and 2007, 27 per cent of the global GDP is generated by the export of commodities and services. The rapid process of globalisation has been accompanied by an ongoing process of economic restructuring throughout the last decades. One consequence is a growing and controversial debate on the need for supra-national structures, regulation of labour standards and industrial relations.

Concerns are raised by trade unions, NGOs and consumer organisations. Several international organisations such as the OECD<sup>1</sup>, the ILO<sup>2</sup> and the UN<sup>3</sup> have published documents demanding clearly defined social rights for workers in multinational companies. And at company level many multinational companies have paid more attention to corporate social responsibility (CSR) in order to deal with the growing public awareness on labour standards and to prevent further cases of bad publicity. The elaboration and adoption of corporate codes of conducts as voluntary or affirmative instruments (Aaronson/Reeves 2002) is a result of this development. Mainly as a result of trade union initiatives a growing number of so-called International Framework Agreements (IFAs) has been negotiated between international or European trade union organisations and the management of multinational companies.

Beside addressing the need to establish minimum labour standards on a global scale by IFAs there is also a further and more recent trend in international framework agreements covering in particular the European area and focussing on single issues like CSR, gender policies and – to a growing extend – restructuring. European Works Councils are playing an important role in this context since these documents are very much initiated by European Works Councils. As other studies on the growing negotiating role of EWCs in corporate practice have shown (see Carley/Hall 2006; Pichot 2006), the actual role of a growing number of European Works Councils has entered a stage which is clearly beyond the current legal provisions of the EWC directive.

However, the first IFA was clearly a global one and signed by the French company Danone and the International Union of Food Workers in 1989. Ever since, IFAs proliferated significantly, especially at the end of the 1990s and after 2000, and reached a total number of 59 in May 2008.<sup>4</sup> IFAs define certain minimum standards and joint principles of industrial relations for companies in its worldwide operations.

Generally, international, European and national trade union organisations have repeatedly appeared as an active and driving force in the initiation process of international agreements.

However, the specific function of IFAs must be seen in the context of a wider range of instruments and initiatives developed in recent years aiming at the shaping and modelling of industrial relations at the transnational level as the following table shows.

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<sup>1</sup> The OECD Guidelines for Multinational Enterprises (1976) were revised in 2000 after having been fairly underused. Improvements were mainly made to the content, including the inclusion of core labour standards and supply chains.

<sup>2</sup> ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and social policy, 1977. The Declaration of Fundamental Principles and Rights at work 1997-98.

<sup>3</sup> The UN initiated the Global Compact Initiative in 2000 in order to improve the co-operation of United Nations, the business community and other social groups towards sustainable economic development. The Global Compact is based on ten principles which reflect the General Human Rights Declaration, ILO core labour norms and the principles of 'Agenda 21' on sustainable development.

<sup>4</sup> This report analyses 59 agreements classified as IFAs; see table 2.

**Table1: Instruments of international industrial relations**

<b>Unilateral management instruments</b>	<b>Unilateral employee instruments</b>
Corporate codes of conducts, business principles, CSR commitments	Global Union Networks for individuals multinational companies Cross-border networks of local trade unions without co-ordination of global union federations
<b>Bilateral instruments: Joint instruments</b>	
Joint forums and structures of information, consultation and dialogue, e.g. world works councils and other joint bodies Transnational extension of board level representation Joint texts and declarations Branch level codes (chemical industries, toy industries, European textile industry, European sugar industry) <u>International Framework Agreements</u>	

Source: Schömann, Sobczak, Voss and Wilke 2008a

This report will analyse the role and function of International Framework Agreements between international trade union federations and multinational companies.<sup>5</sup> After analysing the content, issues and monitoring regulations of the existing agreements we will also have a look on IFAs with regard to transnational regulations in the context of company restructuring and the role of European Works Councils in the preparation and management of IFAs.

Our main research questions here are:

- What is the definition of an international framework agreement?
- Which factors trigger the use of transnational texts (e.g. developments in context of transnational labour law regulation by ILO, OECD)?
- What has been the experience of the signatory parties as regards the implementation of such texts? Which role do different actors play?
- What differences in approach can be observed depending on sectors and issues involved?
- What is the general development in the use of IFAs covering restructuring matters? What is their content and main features on anticipation of change and management of restructuring?

## **2 What do we mean by IFAs?**

In the political debate and the research on industrial relations, a transnational document has to fulfil a certain set of criteria to be categorised as an international framework agreement.

<sup>5</sup> This report is based on previous research which has been carried out on IFAs and Codes of Conducts by the authors in 2006 and 2007 for the European Foundation for the Improvement of Living and Working Conditions. See Schömann, Sobczak, Voss and Wilke 2008a. However, for the purpose of this background report, in particular our analysis of IFA documents has been updated.

There is a growing number of publications dealing with international framework agreements. With regard to IFAs, the existing research in this field focuses either on case studies of particular agreements (Riisgaard 2005), on particular sectors (Miller 2004) or concentrates on a general analysis of their legal impact (Daugareilh 2005; Sobczak 2006a; Ales et al. 2006)<sup>6</sup>. Some studies are based on a theoretical analysis of the texts, their impact on industrial relations, the role of the EWC (Moreau 2006)<sup>7</sup> or the link with national trade union strategies.<sup>8</sup> In the literature the following main factors are used to characterise an IFA.

- IFAs are signed by international or European trade union federation and representatives of the multinational company's management defining certain minimum standards and principles of industrial relations on a transnational scale.
- A distinctive reference to fundamental social rights as defined by the ILO principles are part of an IFA (including bans on child and forced labour, principles of non-discrimination, freedom of association and collective bargaining).
- Through signing this document, multinational companies agree bindingly to enforce labour laws among the different subsidiaries of the company and also to influence their suppliers to accept these rules.
- In all cases, IFAs are based on a preceding negotiation and bargaining process between management and trade unions.
- There exists a possibility of the partners to put forward complaints. Many IFAs include dispute settlement procedures involving the social partners. They are given the right of claiming violation of fundamental social rights in subsidiaries and to solve problems internally at an early stage through social dialogue.

Apart from their contribution to corporate culture and to the quality of social dialogue on an international level, IFAs lack a clearly defined legal status. Their adoption is completely based on the voluntary cooperation of companies, even though the national legislation, public purchasing policies or stakeholders may strongly favour such developments. The question whether a legally binding character of IFAs would serve as an alternative is still under controversial debate. In a similar vein, there is an increasing debate on whether an optional legal framework in this field would encourage or halt the development of these tools (Ales et al. 2006).

One main finding of the research is that driving forces behind the promotion of IFAs are international trade union organisations in order to comply with the emerging need for the internalisation of industrial and labour relations in the global context (Drouin 2005; Hammer 2005; Sobczak 2006a). Throughout the entire process of initiation, bargaining, elaboration and implementation, international trade unions play a determining and active role. Their involvement constitutes an important factor for the political value of IFAs.

<sup>6</sup> Ales, E., Engblom, S., Japers, T., Lulom, S., Sciarra, S., Sobczak, A. & Valdes, F., DAL-RE. 2006. *Transnational Collective Bargaining: Past, Present and Future*. Report to the European Commission, Brussels; Sobczak, A. 2006. "Les enjeux juridiques des accords-cadre internationaux", in B. Saincy & M. Descolonges (eds.), *Les nouveaux enjeux de la négociation sociale internationale*, Paris, La Découverte, 2006, 93-115; Daugareilh, I. 1998. "Quelques observations sur des expériences de négociation collective internationale", *Syndicalisme et Société*, 51.

<sup>7</sup> Moreau, M.-A. 2006, Restructuration et comité d'entreprise européen, Law Working Paper 2006/02, European University Institute, Florence. Hammer, N. 2005: "International Framework Agreements between rights and bargaining", *Transfer*, Vol. 11, No. 4, 511-530.

<sup>8</sup> Sobczak, A. & Havard, C. 2006. "French Trade Unions and Corporate Social Responsibility: Attitudes, Activities and Challenges in the Era of Globalisation", Paper presented at the 22nd EGOS Colloquium, Bergen.

As the following table shows, IFAs are a recent phenomenon and most documents have been negotiated during this decade.

**Table 2: List of signed IFAs (Total 59 as of May 2008)**

Company	Year	Country	Global Union Federation	Signed by EWC	Signed by national union
Danone <sup>9</sup>	1989	France	IUF	No	No
Accor	1995	France	IUF	No	No
Faber Castell	2000	Germany	BWI	No	Yes
Hochtief	2000	Germany	BWI	Yes	Yes
Freudenberg	2000	Germany	ICEM	No	Yes
Carrefour	2000	France	UNI	No	No
Merloni	2001	Italy	IMF	No	Yes
OTE	2001	Greece	UNI	No	Yes
Skanska	2001	Sweden	BWI	No	No
Telefonica	2001	Spain	UNI	No	Yes
Chiquita	2001	USA	IUF	No	No
IKEA	2001	Sweden	BWI	No	No
Anglogold	2002	South Africa	ICEM	No	No
Endesa	2002	Spain	ICEM	No	Yes
Ballast Nedam	2002	Netherlands	BWI	No	No
Fontterra	2002	New Zealand	IUF	No	Yes
Volkswagen	2002	Germany	IMF	Yes	No
Norske Skog	2002	Norway	ICEM	No	Yes
DaimlerChrysler	2002	Germany	IMF	Yes	No
Leoni	2002	Germany	IMF	Yes	No
Eni	2002	Italy	ICEM	No	Yes
ISS	2003	Denmark	UNI	No	No
GEA	2003	Germany	IMF	Yes	No
Statoil	2003	Norway	ICEM	No	Yes
Rheinmetall	2003	Germany	IMF	Yes	No
SKF	2003	Sweden	IMF	No	No
RAG	2003	Germany	ICEM	No	Yes
Lukoil	2004	Russia	ICEM	No	Yes
H&M	2004	Sweden	UNI	No	No
Bosch	2004	Germany	IMF	Yes	No
SCA	2004	Sweden	ICEM	Yes	Yes
Prym	2004	Germany	IMF	Yes	No
Renault	2004	France	IMF	Yes	Yes
Impreglio	2004	Italy	BWI	No	Yes
Röchling	2004	Germany	IMF	Yes	No
Club Med	2004	France	IUF, UITA, EFFAT	No	No
WAZ	2004	Germany	IFJ	No	No
BMW	2005	Germany	IMF	Yes	No
Rhodia	2005	France	ICEM	No	No
EDF	2005	France	ICEM, PSI, IFME, WFIW	No	Yes
Veidekke	2005	Norway	BWI	No	Yes
EADS	2005	Netherlands	IMF	Yes	No
Schwan Stabilo	2005	Germany	BWI	No	Yes
Lafarge	2005	France	ICEM and BWI	No	No
Arcelor	2005	Luxemburg	IMF	No	No
Coca Cola	2005	USA	IUF	No	No
Nampak	2006	South Africa	UNI	No	No
Portugal Telecom	2006	Portugal	UNI	No	Yes
PSA Peugeot Citroën	2006	France	IMF	No	Yes
Royal BAM	2006	Netherlands	BWI	No	No
Euradius	2006	Netherlands	UNI	No	Yes
Securitas	2006	Sweden	UNI	No	Yes
Staedler	2006	Germany	BWI	No	Yes
France Telecom	2007	France	UNI	No	Yes
NAG	2007	Australia	UNI	No	Yes
Volker Wessels	2007	Netherlands	BWI	No	No
Umicore	2007	Belgium	ICEM	No	Yes
Quebecor	2007	Spanien	UNI	No	No
Brunel	2007	Germany	IMF	No	Yes

Source: Wilke, Mack and Partner

<sup>9</sup> As the first company, Danone has signed an IFA in 1989. For the following document analysis, the revised Danone IFA from 2001 will be used.

### 3 What are IFAs about? – Contents, coverage and relevance

IFAs are in most case quite short agreements (2-3 pages) which a general reference to social and political rights at the workplace. Additionally most agreements include paragraphs on social dialogue at the company level, information and consultation procedures and the duties of the signatory parties.

The following chapter will briefly summarize common characteristics with regard to contents, geographical and functional coverage as well as the role of key actors, including European Works Councils. The analysis is based on a document analysis of a total of 59 IFAs which have been concluded by May 2008 (see table 2).

#### 3.1 Reaffirming social rights and making them effective

##### Fundamental social rights

Almost all IFAs (90 per cent) contain provisions on the prohibition of discrimination and the promotion of diversity. A comparative analysis of the other three fundamental social rights defined by the International Labour Organisation shows that for all a very high percentage is reached. In the case of the right of freedom of association, the coverage in IFAs is even higher (95 per cent). The prohibition of child and forced labour appears in 90 per cent of all documents. Considering these results, it is obvious that the fundamental social rights are of outstanding importance for the parties involved in the elaboration of IFAs.

**Table 3: Fundamental social rights coverage by IFAs**

Fundamental social rights	Addressed by IFAs (Total 59)
Anti-discrimination	53 (90 %)
Freedom of association	56 (95 %)
Prohibition of child labour	53 (90 %)
Prohibition of forced labour	53 (90 %)

*Source: Wilke, Mack and Partner*

##### Reference to international standards

The reference of most IFAs to ILO principles confirms their overall objective to promote core labour standards. For global union federations as signatory parties of IFAs, this reference strengthens their role as a promoter of labour relations regulations at the international level. Furthermore does the reference to ILO conventions serve as an added value, since the conventions impose obligations on those countries that have previously ratified them. More specifically, if a company refers to the ILO standards in its IFA, it is automatically committed to promote and effectively implement the given standards. This also applies to countries which have not ratified ILO core labour standards themselves.<sup>10</sup>

27 per cent of the existing IFAs refer to the UN Declaration on Human Rights, the Global Compact is mentioned in 24 per cent and the OECD Guidelines for Multinational Enterprises in 19 per cent of all cases. However, 73 per cent of all IFAs include a general reference to the ILO.

<sup>10</sup> In our case studies we did not find an example of a violation of an ILO norm through the companies' subsidiaries. All violations reported are linked to subcontractors or problems with trade union rights and interest representation on the shop floor.

**Table 4: Reference of IFAs to international standards**

International standard	International Framework Agreements (Total 59)
General reference to the ILO	43 (73 %)
ILO core Conventions	34 (58 %)
UN Declaration on Human Rights	16 (27 %)
Global Compact	14 (24 %)
OECD Guidelines	11 (19 %)

Source: Wilke, Mack and Partner

### Working and employment conditions

IFAs are the result of social dialogue. Through this particular process, social partners agree to exchange information on various workers' interest-related subjects at an international level. Accordingly, collective agreements or wages and working hours, and more recently the social impact of restructuring or training are topics discussed on this level. This explains the high percentage of IFAs dealing with such issues. The proportion of IFAs including reference to health and safety issues (80 per cent), wages (71 per cent) and working hours (59 per cent) are also comparably high.

Compared to these issues only one out of five IFA explicitly is referring to restructuring as an issue of transnational regulation at company level (for further details see chapter 4).

**Table 5: Working and employment conditions as an issue of IFAs**

Issue	Included in International Framework Agreements (Total 59)
Health & safety	47 (80 %)
Wages	42 (71 %)
Working hours	35 (59 %)
Harassment	14 (24 %)
Training and career development	34 (58 %)
Restructuring	11 (19 %)

Source: Wilke, Mack and Partner

### CSR or business ethics issues

Given the role of the international trade unions as a driving force behind IFAs, it may not come as a surprise that the negotiated documents predominantly deal with fundamental social rights and other labour standards. However, this does not exclude broader societal issues such as concepts of corporate social responsibility or business ethics.

A small but increasing number of IFAs (15 per cent) deal with the fight against AIDS and include awareness campaigns or related health programmes for employees and their families. As an indicator for a company's social responsibility through the impact of business engagement in a region, a number of IFAs include provisions for local community development (15 per cent). More or less half of the agreements include environment protection provision (44 per cent). As these challenges are of increasing importance, it is a positive development that these issues are taken into account by social partners.



**Table 6: Other CSR or business ethics issues**

Issue	Included in International Framework Agreements (Total 59)
AIDS	9 (15 %)
Local community	9 (15 %)
Environment	26 (44 %)
Anti-corruption	11 (19 %)

Source: Wilke, Mack and Partner

### 3.2 Functional and geographical coverage of IFAs

In order to evaluate the impact of an IFA, it is essential to define its scope of application. In practice, most IFAs will not really strengthen the rights of the workers of the European Union, who are already covered by national and European labour law standards through their employment contract with their respective company. However, for workers in other parts of the world, especially in subsidiaries and subcontracting companies, these agreements may have an important added political value. The analysis of IFAs reveals that the agreements in most cases the whole group and also the suppliers of the company.

By definition, the geographical coverage of IFAs is universal, i.e. global. However, as recent analysis on transnational texts negotiated by European Works Councils and European Union Federations has shown (Pichot 2006), there is also a growing number of transnational agreements covering only the European economic area.

**Table 7: Definition of the scope of application**

International standard	International Framework Agreements (Total 59)
Application to the whole group	52 (88 %)
Application to suppliers	43 (73 %)

Source: Wilke, Mack and Partner

#### Application to subsidiaries

88 per cent of the framework agreements explicitly indicate that their norms apply to the whole group. Some IFAs suggest that a company's commitment may vary according to the degree of power it holds within its different subsidiaries. Such a distinction seems legitimate and has the advantage of not creating expectations that may not be satisfied subsequently. As a matter of fact, a company's headquarters can be held responsible for adherence to the IFAs in subsidiaries under its direct control. In other cases, the headquarters can only try to convince the management of subsidiaries outside of their direct control.

This case of various application procedures depending on the level of control for example is illustrated in the IFA of the French company Arcelor: *"group subsidiaries over which Arcelor exercises a dominant influence ensure that the provisions of this agreement are implemented [...]. In the subsidiaries where the Arcelor Group has a significant presence, but does not exercise a dominant influence, the signatory parties undertake to jointly put to use all of the resources at their disposal in order to promote the principles stated in this agreement"* (Schömann 2008).

## Application to suppliers

73 per cent of the existing IFAs contain provisions defining their application to the company's suppliers and subcontractors. This comparably high rate indicates that the signing parties have acknowledged the demand for effective social regulation for the workers in global supply chains. Again, the possible added value of IFAs in this field is visible. However, the content of the clauses relating to the application to the suppliers and subcontractors varies considerably among the different texts. In many cases, the company ensures to inform or encourage the suppliers and subcontractors to respect the related parts of the agreement. In an affirmative matter, these multinational companies agree that respecting these provisions is of advantage. For example the Renault IFA assures *"to inform its own suppliers of the contents of this declaration [...] and urges them to consider adhering to it"*. Although encouraging their suppliers to introduce and implement these aspects, Renault does not explicitly require this procedure as a condition for long-term relations or indicates any form of consequences in case of not adhering to these principles. Renault solely states that *"the actual adoption of these principles is a basis for long-term relations"*

A number of IFAs go beyond these general commitments and confirm the adherence to the IFA as an important criterion for being chosen or maintained as a supplier or subcontractor. In the case of Royal Bam, the IFA stresses *"the respect for workers' rights to be a crucial element"* and declares to *"refrain from using the services of those trading partners, subcontractors and suppliers which do not respect the criteria listed above"*.

Demonstrating even stronger mechanisms, a certain number of IFAs, particularly in the textile sector, include detailed sanctions. In few cases, suppliers and subcontractors not respecting the principles of the agreement will face the termination of the contract. IKEA is an appropriate example. In its IFA, the company points out that continuous non-compliance with these requirements will result in sanctions including withdrawal from the supplier panel. IKEA has agreed with the International Trade Union a monitoring procedure to control the application of the agreements among the suppliers (Wilke, Sobczak and Schömann 2008).

Similarly, changes in the company's structure are regulated only in few IFAs. Companies such as Arcelor or PSA refer to the direct application of the Global Framework Agreement for current and future subsidiaries (PSA). EDF clearly exemplifies this issue: *"In the event that a new company enters the above-defined scope, the locally concerned stakeholders shall be offered the opportunity to join in the Agreement should they so desire"*. The choice of a future subsidiary not to join the IFA would, however, cause serious problems for the coherence of the group's corporate social responsibility and its perception by the stakeholders (Schömann/Sobczak 2008; Sobczak/Havard 2008).

### 3.3 The role of EWCs in the IFA process: a dilemma

However, it is important to refer to the international implication of IFAs with a clearly defined scope reaching far beyond Europe. The role of the EWC in the process of developing, negotiating and implementing international agreements is generally important, although only in a few cases of the EWC actually signed the agreement.

This fact reflects a dilemma: in many cases, EWCs are initiators of international frameworks agreements, but at the same time they are legally not in a position to play a role in the issues of concern since these are global issues, as illustrated by the Securitas case (Schömann 2008).

At Securitas, the EWC was regularly informed and consulted on the agreement and the structure of the EWC was used during negotiations. But according to the statutes, the EWC is not a forum for negotiations and should not deal with matters regarding wages and conditions in an individual country. In this respect, the EWC was not directly part of the negotiation rounds. Its structure provides logistical support for the follow-up of the Agreement: as specified in the Agreement, the meeting of the implementation group is held in conjunction with the annual meeting of the EWC. In this respect, the EWC works as a contact forum between the management and the trade unions in the Securitas group.

The Securitas case reflects a general feature of IFAs: less than one in four agreements signed so far by European Works Councils. The majority of agreements co-signed by EWCs were concluded in companies with German headquarters and thus also reflect the important role of works councils in the dual system of interest representation.

Concerning the impact of international framework agreements on the daily activities of EWCs, the following observations can be made:

- senior EWC members (in particular the chairpersons) are actively involved in the implementation process of international framework agreements in most cases;
- in most cases, there is a division of tasks: while formally the EWC deals with European issues only, issues regarding countries outside Europe are dealt with by global trade union federations;
- if a management reporting system is provided for the implementation and compliance of the international framework agreement or the corporate code of conduct in the field of labour relations in the operational provisions of the agreement or code, this will normally be carried out in the context of EWC plenary sessions.

The active involvement of EWCs in international framework agreements and their significant impact on EWC practice raises the question of whether the legal framework of European Works Councils still reflects the real world of industrial relations in European-based multinational companies. However, as mentioned before, recent studies are illustrating that a growing number of EWCs are becoming actively involved in negotiation processes addressing transnational issues of labour relations, often in the context of restructuring (see Carley/Hall 2006; Pichot 2006).

### **3.4 IFAs as stepping stones towards world works councils?**

International framework agreements can be seen both as a result of international interest representation based on company-orientated trade union networking at an international level. There are some examples of IFAs which are the result of growing trade union co-operation on a global scale. The IFAs of many multinationals in the chemical sector (Endesa, SKF), the service sector (Telefonica, OTE, France Telekom), the food sector (Chiquita, Danone) and of course the metalworking and automotive sector are firmly embedded in and in many cases triggered by international trade union councils and networks. But there are also prominent examples where international trade union co-ordination and networking at company level had not resulted in the conclusion of an IFA, including Nestlé, Unilever, General Motors, General Electric, Siemens and Fiat.

These examples and other case studies indicate a direct connection between international frameworks agreements and the further development of stable supra-national structures of interest representation, information, consultation and dialogue.

The automotive sector was the first to develop such international structures of company-based trade union co-operation and networking of employee interest representations. Volkswagen (1999) and DaimlerChrysler (2002) are amongst the most prominent companies which have established world works councils, the first having been inaugurated by Swedish SKF in 1995. Supported by strong trade union structures and easy to organise because of large production sites, other companies in the automotive sector have also developed international and global networking activities.

For example at Bosch, works council initiatives which culminated in the global framework agreement in 2004 were closely connected to global cooperation projects and the networking of employee representations and in 2006 the first Bosch Workers' World Conference took place (including employee representatives from China) (Voss 2008a).

At Leoni the IFA accelerated the international cooperation and networking of employee representatives and trade unions: in 2005, a workshop focusing on the implementation of the Leoni agreement took place in Germany with representatives from EU countries, but also a representative from Tunisia (Voss 2008b).

The link between the international framework agreement and the creation of World Works Council is even closer in the French companies. At EDF, the Consultative Committee on CSR (CCSR) in charge of the implementation of the agreement is also a first step in creating a worldwide workers' interest representation. The idea seems to be to test this kind of agreement and then to create a worldwide works council. At PSA Peugeot Citroën the possible establishment of a worldwide consultation forum is even mentioned in the text of the IFA (Sobczak/Havard 2008).

## **4 IFAs and restructuring: An emerging issue?**

### **4.1 Restructuring as an issue in IFAs**

The previous chapter has outlined the definition, function and role of IFAs with regard to contents and scope of application. Particularly interesting is the reaffirmation of social rights and therefore initiated social dialogue on an international level, the reference to international and fundamental labour standards, CRS-related issues or further business ethics. But to what extent IFAs address and shape restructuring and the management as well as anticipation of change?

To answer this question it is necessary to define the meaning of restructuring. Generally, restructuring is an established economic, social and political process and has an immediate impact on employment and working conditions. In practice, corporate restructuring may appear in various forms, such as plant- and office closure, internal reorganisation, outsourcing of good or services, reorganisation following merger or acquisition or relocation to another region or country. These different forms of restructuring may occur in combination (e.g. internal reorganisation, outsourcing and relocation).

In general we can find a broad variety of employee involvement and frameworks in Europe of dealing with restructuring, amongst them also European wide regulations such as in the case of collective redundancies. In the context of restructuring and social dialogue significant differences of national frameworks of employee involvement and social responsible solutions to restructuring exist. Some examples:

In most European countries, the legislation as regarding restructuring is only dealing with the effects of redundancies (cushioning social effects) and not about anticipation, managing change etc. which are important aspects of restructuring in general

There are significant varieties in the obligations of the employer, the kind of information which must be provided and consultation rights of employees. Also the resources of employee representations and the possibility of external support (i.e. in France and Germany) differs significantly.

An even more diverse European landscape emerges when the issue of negotiations and reconciling of interests is raised: Legally foreseen in some countries like Germany or Austria, there are further countries where social plans are foreseen while in most countries negotiations exclusively depends on the bargaining power of trade unions.

From the point of view of an employee confronted with a restructuring situation it very much depends on the country where he/she lives, the size of the company he/she works at and finally also whether or there is a strong or weak trade union structure at his workplace.

However, in general the existing national provisions in most European countries foresee more rights and better regulations on information and consultation in case of restructuring than the provisions in International Framework Agreements. Therefore, an added value of IFAs with regard to restructuring is given in cases of transnational restructuring processes initiated, implemented and managed at the European or even global level.

## 4.2 How IFAs address restructuring

As mentioned earlier, a textual analysis of 59 IFAs documents shows, that around 20 per cent of the agreements are including a direct reference to restructuring situations. The following analysis and exemplary cases reveal that there are significant differences between the documents on restructuring.

As indicated in the overview (see table 8), six French companies, two Benelux and three non-EU companies have signed IFAs which including specific measures in the case of restructuring. These 11 multinational companies represent different industrial sectors ranging from the food sector (3 companies), automobile industry (2 companies) to oil-, steel-, aerospace-, energy-, chemical- and telecommunication industry (1 company each). Due to this broad variety of industrial sectors, a distinctive trends among the companies can not be observed. All agreements have been signed after 2001, the majority after 2004.

A comparative analysis of the IFAs in detail shows that measures for the management of restructuring vary significantly in regard to content, objectives and assistance programmes for employees. According to the following examples, the total number of documents may be divided into two main categories of IFAs including restructuring provisions.

- First, a group of French companies (Danone<sup>11</sup>, EDF, France Telecom and Renault) whose IFAs are containing similar measures and programmes for improving the employability of employees in restructuring situations, such as strategies for training programmes and placement assistance within the group and outside the company. Two of the French companies of this group (EDF and Danone) explicitly express their responsibility towards the social and economic development of the region which might be affected by job reductions due to restructuring. To a certain extent, EADS also can be included in this category, since the company offers training and mobility assistance for its employees in the event of restructuring.

<sup>11</sup> Danone was the first company to sign an IFA in 1989 (See table 2: List of signed IFAs). For the document analysis of this report, the revised version from 2001 was used.

- A second group consists of IFAs signed by companies such as Fonterra, PSA, Lukoil, Arcelor and Rhodia. These IFAs are including rather general reference to restructuring and corporate change as well as measure of dealing with them.. Although referring to procedures of consultation and information with trade union organisation, these agreements lack precise commitments, tasks or measures in the case of restructuring.

**Table 8: List of IFAs referring to restructuring**

Company	Year	Trade Unions	Signed by EWC	Country	Sector
Chiquita Brands International, Inc.	2001	IUF	No	USA	Food
Danone Group	2001	IUF	No	France	Food
Fonterra Co-operative Group	2002	IUF	No	New Zealand	Food
Lukoil	2004	ICEM	No	Russia	Oil Industry
Renault Group	2004	IMF	Yes	France	Automobiles
ARCELOR Group	2005	IMF, EMF	No	Luxemburg	Steel
EADS NV	2005	IMF	Yes	Netherlands	Aerospace
Electricité de France (EDF)	2005	FNME-CGT, FCE-CFDT, ICEM, PSI	No	France	Energy
Rhodia Group	2005	ICEM	No	France	Chemical Industry
France Telecom	2006	UNI	No	France	Telecommunications
PSA Peugeot Citroën	2006	IMF, EMF	No	France	Automobiles

Source: Wilke, Maack and Partner

An important issue of all IFAs addressing restructuring is the role of trade unions in information and consultation processes as well as in the context of proposed measures and instruments. Here, the majority of companies stress the importance of social dialogue, information and consultation with the trade union organisations explicitly. Additionally, in the case of two companies (*Chiquita* and *Danone*) the respective trade union is appointed with the right to suggest an alternative approach to the anticipated changes. Here, the management is obliged to examine, consider and respond in a certain time-frame to the given proposal. In contrast to this, the example of *Lukoil* represents an approach without any direct reference to social dialogue and consultation with trade unions in case of restructuring.

### 4.3 Exemplary cases

#### **General commitments to social responsible restructuring and information and consultation in the context of restructuring**

Early information and consultation in the case of planned restructuring and general references to anticipation of change at the company level are joint aspects of most IFAs addressing restructuring. With the exception mentioned above, this approach also reflects a positive attitude of corporate industrial relations and management cultures towards social dialogue with trade unions and employee representations. As the following examples will illustrate, though these IFAs are referring to the added value of employee involvement and social dialogue in managing change and restructuring, they are lacking the description of any concrete measures and mechanisms in the context of dealing with restructuring and its social consequences for employees.

For *Arcelor*, the company's employees are the key to its success. As stated in Article 7 on "Industrial and economic changes", Arcelor stresses the "principle of anticipation" in the case of economic and industrial changes for human resources. Through a well established permanent social dialogue this principle of anticipation should be applied. Moreover, Arcelor refers to life long learning opportunities for its staff in order to progress professionally in the job market. However, Arcelor does not provide any specific procedures in case of restructuring. Arcelor refers here to a so-called "principle of anticipation".

*Chiquita* states in part II of its IFA, that in case of "any situation that would seriously affect the volume of employment", the company commits to respect local laws, to initiate an early consultation with local trade unions and give notice to the local trade union, IUF and COLSIBA concerning the company's decision and consequences for working conditions and reduction of jobs. Of major importance it the fact that "Chiquita will seriously consider alternative proposals presented by unions [...] and will provide a response [...] within a time-frame agreed on a case-by-case basis". These measures for the management of restructuring indicate a strong acknowledgement of trade unions and a well-established social dialogue. Aside from the official explanation on its decision, Chiquita will seek consultation with the trade union representatives and will take the trade union's position into account.

*Fonterra* summarises its provisions on restructuring in part 2 of the agreement "Changes in business activities affecting employment" and promises to, as soon as possible, provide the trade unions with information on reasons for change, effects and the timeframe of job reduction. In addition, consultation with trade unions on possible measures to avoid or minimise the effects are laid out in the agreement. In its IFA, Fonterra merely addresses the exchange of information and consultation procedures with trade unions.

*Lukoil* states in its agreement the will "to take a socially responsible approach to restructuring [...] including adequate advance notifications of LUKOIL group plans to reduce workplace." Further details are neither given on timeframe or content of this notifications, nor on the accurate meaning of the company's socially responsible approach." Apart from this, the document only presents rather vague reference to procedures implemented in the case of restructuring.

*PSA Peugeot Citroen* briefly summarises its measures on restructuring in article 3.1 "to manage employment and skills responsibly" and to "take a labour-oriented approach to changes in the business". PSA mentions information and consultation procedures with employee representatives in a timely manner and vaguely agrees on supporting its employees through any changes in business or employment conditions.

*Rhodia* states “to inform employees and their representatives as soon as possible and to give priority to efforts likely to minimize the impact on employment and working conditions, in compliance with local laws and practices”. The IFA signed with *Rhodia* does not mention any detailed measures on managing the effects of restructuring.

### **Improving employability and dealing with the social effects of restructuring**

In contrast to these general commitments to follow certain information and consultation procedures with trade unions and employee representatives (thereby generally reflecting the European framework of information and consultation), some IFAs go a step further and include more concrete measures and instruments in the case of restructuring. A common feature of all these texts is the clear focus on cushioning the social effects of restructuring, avoidance of unemployment and improving the employability of employees affected by restructuring.

In contrast to other IFAs covering restructuring, the *Danone* IFA which was negotiated with the IUF offers a well-developed three-staged strategy for its employees in the chapter „Joint understanding in the event of changes in business activities affecting employment or working conditions”. First of all, “employees concerned should be entitled to receive training for the purpose of helping them find occupation either within the company of Danone Group or elsewhere; [...] management shall see to it that employees are not required to incur expenses in connection with training.” Secondly, consultations with trade union representatives in a specific time-frame (not later than 3 months prior to the expected changes) and an explanation of the company’s decision are defined by this IFA. In similarity to *Chiquita*, unions may “submit proposals as alternatives to plans by management [...]. Management should examine and respond to proposals reasonably promptly (within one month at most).” The third step is a specific programme set up by *Danone* as “placement assistance”. Its objective is “to help employees having lost their job to find positions corresponding to their qualifications, skills, pay level, working conditions and place of residence”. In this context, it is of importance to mention *Danone*’s awareness and concerns about the “economic repercussions for communities, where jobs are being eliminated”. The company offers support for “efforts aiming at creating new jobs and stimulating economic development. Portraying the company’s responsibility for its employees and its impact on social and economic development of the region, *Danone* offers support “such as consulting services, market or feasibility studies and possible financial assistance”.

*EDF* refers in its agreement to an additional document precisely addressing restructuring “EDF Group Policy for the Anticipation of and Guidance for Industrial Restructuring Processes” which also was agreed with the EMF. In the IFA, *EDF* expresses its responsibility towards employees and the respective local economies, and in case of restructuring, promises to limit “the social consequences for the employees concerned and the consequences for the equilibrium of the region”. More specifically, *EDF* promises to systematically examine measures “to avoid or limit forced mass layoffs [...] (measures for mobility within the group, redeployment ect.)” and to possibly offer “specific guidance [...] to the employees concerned so as to facilitate their search for a new job (outplacement, reclassification centre, training, ect)”. Similar to a *Danone*, *EDF* offers training opportunities, internal and external placement assistance and expresses its responsibility for local economies and its impact on the entire society and region.

The IFA signed between *UNI* and *France Telecom* is dedicating a special chapter on “Anticipating and providing social support during restructuring” describing a number of measures in case of restructuring. Apart from the “principle of anticipation” and “the principle of social dialogue with local union organisations”, *France Telecom* refers to “the principle of social support [...], to implement as quickly as possible internal mobility measures (redeployment within the group, suitable training) designed to avoid or limit



lay-offs". Similar to the cases of EDF and Danone, another French company, France Telecom offers specific training programmes and internal placement assistance for employees facing job losses.

In accordance to this, also the *Renault* IFA is referring to specific measures on training programmes for employees affected by restructuring in order to avoid unemployment and improve employability. The company stresses its commitment to protect jobs and offers training programmes, even to qualify for other occupations. In addition, Renault offers internal and external placement assistance.

Finally, also *EADS* briefly summarises measures undertaken by the company in case of reorientation or restructuring: "it is committed to promoting the employment of its entire workforce and [...] will do all it can to protect employment by means of all possible measures, including training and mobility, whenever appropriate".

### **Explaining the differences**

There are some common features of this group of companies which reflect a more proactive and more sophisticated approach of addressing restructuring in transnational agreements:

*Restructuring being high on the agenda and European focus:* Though addressing restructuring in the context of a globally binding IFA, all the companies in this group have a strong European bias of restructuring in the context of accelerated change in the context of internationalisation (France Telekom, EADS), privatisation (EDF) or other forms of restructuring and change with a clear European bias (Danone, EADS, Renault). Though not analysed in depth here, it is also quite evident that the respective IFA documents are also directly linked to concrete and comprehensive restructuring programmes and determined by them directly.

*French shaped corporate culture and strong trade union based social dialogue:* A further characteristic of this group is the strong French influence in corporate culture and industrial relations at the company level which also is reflected in the respective structure of EWCs (mostly French type, i.e. joint bodies of trade unions and management) and corporate social dialogue institutions. This also is illustrated by the fact that the EDF agreement not only was signed by the international union federations ICEM and PSI but also by the two main French trade unions.

## **4.4 EWCs and restructuring**

The European Works Council Directive is the only instrument in the European toolbox of labour relations regulations which not only defines procedures and minimum standards as regards information and consultation but also created a new institutional structure for employee participation at cross-border level and legally independent of national and/or company-specific institutions for employee representation.<sup>12</sup>

A central criticism of EWCs has been that many exert very limited influence on management decision-making and company development in general, particularly as regards restructuring. The European Commission's April 2004 consultation document on EWCs notes that instances where information and consultation have been "absent or ineffective" during restructuring gave rise to "concern and anger" among employees. More generally, surveys point to widespread dissatisfaction amongst EWC

<sup>12</sup> The regulations laid down in the Directive regulating employee involvement in the European Company (SE) (RL 2001/86/EC) do follow by large the EWC model with regard to the establishment of a European level of employee interest representation. Kluge, N., Stollt, M. 2006: The European Company – Prospects for Worker Board-Level Participation in the Enlarged EU. European Trade Union Institute, Brussels.

representatives with the current practices of EWCs, particularly regarding the quality of information and consultation. This criticism also has led to the current debate on the revision of the EWC Directive and the opening of the second stage of consultation on the revision by the EU Commission in February 2008.<sup>13</sup>

A survey conducted on behalf of the ETUC confirmed this widespread dissatisfaction about crucial shortcomings in EWC practice and weaknesses in the legal framework on cross-border information and consultation. The survey<sup>14</sup> highlights crucial shortcomings in current EWC practice and certain weaknesses in the legal framework on cross-border information and consultation: less than one third of EWC representatives think that there is "useful information and consultation" on all items included in Article 2 of the EWC Directive. These results indicate that in practice, the purpose and objectives of the EWC Directive with regard to information and consultation are not being achieved in most EWCs. With regard to restructuring, the findings of the study are even more worrying. In addition to corroborating the assumption that restructuring is a highly relevant issue for most EWCs in Europe today (81 per cent of respondents indicated that their management had restructured the company to some degree in the three years prior to the survey), the survey also shows that less than 25 per cent of EWC representatives were informed of the company restructuring before any decision was taken by management and less than 20 per cent were consulted. In other words, over 75 per cent of EWC representatives were either informed by management only after the final decision had or were not informed at all.

These mismatches between the original purpose of the Directive and EWC practice are confirmed by other studies such as a comprehensive case-study-based report by the European Foundation for the Improvement of Living and Working Conditions analysing the practical operation of EWCs in some 40 EWCs in companies headquartered in five different countries. Although the report found that practices varied widely between the EWCs concerned, the survey was not able to identify a single example where an EWC had become a truly European-level representative body.<sup>15</sup>

Although the rights of EWCs are formally limited to information and consultation, there is increasing evidence that EWCs are becoming far more closely involved in company development, in particular in the context of transnational restructuring processes. The majority of EWCs involved in negotiations on restructuring issues are those within the French-based multinationals Danone (1992, 1997), Axa (2005), PSA Peugeot-Citroen (2006), Renault (2004), Total (2004) and Suez Lyonnaise des Eaux (1998), although similar examples in Germany include Deutsche Bank (1999) and Bosch (2004). Other well-known companies include General Motors (four agreements between 2000 and 2004) and Unilever (2001, 2005).

Also other companies have also developed a pro-active and agenda-oriented EWC practice characterised by a solid trade union basis, robust integration of European interest representation into national channels, employee involvement structures, the development of a European agenda and the creation of joint European projects. One

<sup>13</sup> EU Commission: "Consultation of the European social partners on the revision of Council Directive 94/45/EC of 22 September 1994 on the establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees.", February 2008.

<sup>14</sup> The questionnaire-based survey was carried out in nearly 200 different companies with an EWC, involving a total of nearly 2,400 EWC delegates (with a response figure of nearly 20 per cent). See: Waddington, J. 2006 : Why the revision of the EWC Directive is needed, in: *Mitbestimmung*, 8, 41-44.

<sup>15</sup> See: Weiler, A. 2004: *European Works Councils in Practice*, Luxembourg ; Voss, E. 2006: *European Works Councils experience in new EU Member States*. European Foundation for the Improvement of Living and Working Conditions, Dublin.

visible indication of EWC influence is the negotiation of agreements or joint texts by, or with involvement of, EWCs. Such texts have been negotiated in a small but growing number of companies. A recent research project documented around 50 joint texts and agreements negotiated by some 20 EWCs.<sup>16</sup> The most common themes addressed in these joint agreements are social/trade union rights, corporate social responsibility (CSR) and the handling of company restructuring. Other topics covered include health and safety, skills training and gender equality.

These trends are also confirmed by research carried out by the EU Commission directly on “transnational texts” negotiated and/or agreed between management and employee representation bodies and/or trade unions in Europe.<sup>17</sup> This indicates a clear trend towards the strengthening of transnational social dialogue, consultation and even bargaining practice in the context of restructuring and managing change. However, the transnational character normally is limited to the European economic area and therefore it is hardly possible to classify these texts as IFAs. A recent example of this difference in the geographical coverage of joint agreements in particular addressing the issue of restructuring and managing change at a transnational level is the agreement between the French company Schneider Electric and the European Metalworkers Federation EMF of July 2007 which is titled “European agreement on the anticipation of change”. Clearly bound to the European area, the agreement includes basic concepts and concrete mechanisms aiming at an active and anticipatory management of change at the corporate level.<sup>18</sup>

## 5 Conclusion

International framework agreements are concluded between global or European trade union federations and the management of individual multinational companies to define labour standards and joint principles of industrial relations. They are normally based on fundamental social rights as defined by the ILO core conventions.

The content analysis of international framework agreements reveals that international framework agreements can be considered as a vector to promote the respect of fundamental social rights among multinational companies and their economic partners. Consequently, international framework agreements tend to correspond to an emerging form of social dialogue at the international level.

The analysis of the existing international framework agreements highlights that international framework agreements aim at regulating labour relations within multinational companies, even if they may sometimes include broader issues. In the case of international framework agreements, labour standards are the main focus.

There are certain objective factors of influence that may favour the negotiation of international framework agreements, such as the sector or the nationality of the company. International framework agreements are concentrated in five sectors (metal, construction, chemicals, food, and services) and in Member States of the European Union with a tradition of social dialogue, such as Germany and France. However, these factors are insufficient in explaining why a company negotiates an international framework agreement. Indeed, there are numerous multinational companies in Germany

<sup>16</sup> Carley, M., Hall, M. 2006: European Works Councils and Transnational Restructuring. Report for the European Foundation for the Improvement of Living and Working Conditions, Dublin.

<sup>17</sup> DG Employment and Social Affairs of the European Commission studied these “joint” texts whose number was estimated at 100 covering more than 60 companies: See Pichot 2006.

<sup>18</sup> “European agreement on the anticipation of change” between Schneider Electric and the European Metalworkers’ Federation EMF, Brussels, 12 July 2007.

and France that have no international framework agreement, that do not plan to negotiate one in the near future and that are not even targeted by the relevant global union federations to negotiate such an agreement.

Though addressing restructuring and corporate change in IFAs and defining certain framework standards of information, consultation and social dialogue in the case of restructuring clearly is not a mainstream experience of the 59 documents analysed here, there are indicators and trends indicating a growing significance:

- Accelerated internationalisation of corporate structures and transnational restructuring operations clearly underline the importance of the issue of anticipating and managing change as well as dealing with the social consequences of change.
- Recent IFAs concluded in multinational companies with a clear European focus and restructuring being highly relevant for corporate development have started to address restructuring in their agreements.
- Furthermore, the increased involvement of EWCs and European trade union federations such as the EMF in social dialogue and the development of clear framework conditions of dealing with transnational restructuring in a social responsible manner in Europe also indicate that there clearly is a move in the debate which will have an influence on global agreements such as IFAs.

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## 7 Overview of International Framework Agreements

	Company	European Works Council	Trade Union	Regular meetings, exchange of information	Restructuring	Year
	Accor Group	No EWC	IUF	None	None	1995
	AngloGold	No EWC	ICEM	At least annual meetings of the signatory parties	None	2002
	ARCELOR Group	Arcelor-Mittal EWC	IMF, EMF	Creation of a monitoring committee, no meeting scheduled	<p>Article 7: Industrial and economic changes For Arcelor, women and men are the key to its success.</p> <p><b>Article 7.1: principle of anticipation</b> Arcelor undertakes to anticipate, as much as possible, economic and industrial changes and their consequences in terms of human resources. The establishment of prospective and permanent social dialogue will encourage the application of this principle of anticipation.</p> <p>Article 7.2: development of expertise and know how Arcelor undertakes to develop the skills of each employee, through lifelong learning, thereby enabling him or her to maintain and progress professionally in the job market. The Trade Union federation with Arcelor management will ensure that Arcelor employees adopt a proactive attitude in managing their own career.</p>	2005
	Ballast Nedam	No EWC	IFBWW	Annual meetings	None	2002

	BMW Group	BMW Euro Works Council	EWC, IMF	Consultation via the EURO-Forum, definite date for meeting is given	None	2005
	Bosch	EWC Bosch Siemens Hausgeräte European Committee	Bosch, Europa Committee of the Bosch Group, IMF	If necessary meetings shall take place within the Europa Committee	None	2004
	Brunel	No EWC	IMF	None	None	2007
	Carrefour	Carrefour European Works Council for Information & Consultation	UNI	None	None	2000
	Chiquita Brands International, Inc.	No EWC	IUFNoneUITAN oneIUL, COLSIBA	Creation of review committee, biannual meetings	<b>Part II: Employment</b> In the event of any situation that would seriously affect the volume of employment, working conditions or the type of contracts of work, such as changed or transfers in production or the closure of all part of a facility, Chiquita commits to: -Respect local laws and regulations; -Consult with local trade unions [...] which discussions should occur as soon as possible [...] -in the case that workers are legally represented by a labour union to bargain collectively, notifications will be made at the same time to the local union, COLSIBA and the IUF of any such proposed change, including in such notification both: -a explanation of the Company's decision; and - a clear indication of the consequences of the decision for workers in terms of changes in contracts, working conditions or reduction of jobs. - Chiquita will seriously consider alternative proposals presented by unions representing Chiquita workers. Chiquita will provide a response to those proposals within a time frame agreed on a case-by-case basis.	2001

	Club Med	Club Méditerranée European Social Dialogue Council	IUF, UITA, EFFAT	Establishment of a committee, annual meetings	None	2004
	Coca-Cola	Coca Cola Communication Forum	IUF	Biannual meetings	None	2005
	DaimlerChrysler	DaimlerChrysler European Works Council	IMF	Regular meetings, no date is defined	None (Apparently Daimler has an extra document dealing with restructuring)	2002
	Danone Group	Danone Joint Information and Consultation Committee (replaced BSN Danone EWC)	IUF	None	<b>Joint understanding in the event of changes in business activities affecting employment or working conditions</b> Training consultation placement assistance trade unions rights	2001
	EADS NV	EADS European Works Council	European Works Council of EADS NV	None	<b>Employment:</b> EADS is committed to promoting the employment of its entire workforce and in the case of company reorientation or restructuring, will do all it can to protect employment by means of all possible measures, including training and mobility, whenever appropriate.	2005
	Electricité de France	EDF European Works Council	FNME-CGT, FCE-CFDT, FNEM-FO, CFE-CGC, CFTC (Frankreich), GMB, Unison, Prospect, Amicus (UK), VDSZSZ (Ungarn), SOLIDARNOSC (Polen), SOZE (Slowakei), Luz y Fuerza (Argentinien),	Creation of a consultation committee on CSR, annual meeting, also NGOs are invited to attend	<u>Article 6</u> , reference to additional document “EDF Group Policy for the Anticipation of and Guidance for Industrial Restructuring Processes” [...] -Principle of dialogue between management and the trade unions and employee representatives, via information and dialogue on the economic stakes, the consequences of decisions and the proper adaptation of individual and collective guidance, as well as the monitoring of their application.  -Principle of responsibility towards employees and local economies, aimed at limiting the social consequences for the employees concerned and the consequences for the equilibrium of the region. Therefore, measures intended to avoid or limit forced	2005

			Sindicato dos Trabalhadores nas Empresas de Energia do Rio de Janeiro, Sindicato dos Engenheiros de Rio de Janeiro (Brasilien), SUTERM (Mexiko), Asia Pacific Concertation Committee (Asia), ICEM, PSI, IFME, WFIW		mass layoffs must systematically be examined, where practicable (measures for mobility within the group, redeployment ect.). Should forced mass layoffs not be avoidable, provisions that are more favourable than the legal minimum required by the legislation of the country concerned will be sought. In cases, where jobs are lost, specific guidance could be offered to the employees concerned so as to facilitate their search for a new job (outplacement, reclassification centre, training, ect)  Generally speaking, EDF Group undertakes to set up employee guidance measures in the companies of the Group that are among those demonstrating the best practices of the major companies in their sector of activity in the countries in question.	
	Endesa	No EWC	ICEM	Biannual meetings of HR management and trade union representatives	None	2002
	Eni SpA	ENI European Company Committee	FILCEA-Cgil, FEMCA-Cisl, UILCEM-Uil, ICEM	Annual meetings	None	2002
	Euradius	No EWC	UNI, FNV KIEM	Annual meeting, management shall provide written and oral presentation on activities of the company with impact on employees' interests	None	2006
	Faber-Castell	No EWC	IFBWW, IG Metall (GHK)	Creation of a monitoring committee, Meetings at least every two years	None	2000
	Fonterra Co-operative Group		IUF, New Zealand Dairy Workers Union	Creation of a review committee, annual meetings, possibility to call for extraordinary meetings	<b>Part 2: Changes in Business activities affecting employment</b> When Fonterra contemplates the introduction of major changes that are likely to result in a loss of jobs, Fonterra shall: as soon as possible, provide the affected employees' trade union with relevant information, including the reasons for the major changes contemplated, the	2002

					number and categories of employees likely to be affected and the period over which the terminations are intended to be carried out; and Consult with the affected employees' trade union on measures to avoid or minimise the termination and measures to mitigate the adverse effects of any termination on the affected employees.	
	France Telecom	France Telecom European Works Council	UNI	Half yearly meetings, monitoring reports and regular progress reports will be provided	<b>Anticipating and providing social support during restructuring</b> -Principle of anticipation through: integration of social consequences in strategic decisions, training to facilitate the necessary changes. -Principle of social dialogue with local union organisations by means of information and dialogue on economic issues, the consequences of decisions and suitable individual and collective support - principle of social support: to limit the consequences for the staff concerned, the Group will implement as quickly as possible internal mobility measures (redeployment within the group, suitable training) designed to avoid or limit lay-offs.	2006
	Freudenberg Group	Freudenberg Euro Forum	ICEM	Annual meetings, consultations	None	2000
	GEA	GEA European Works Council	EWC, EMF, IMF	Exchange of information at least once a year, through the EWC or EWC presiding committee	None	2003
	H&M	H & M European Works Council	UNI	None	None	2004
	Hellenic Telecommunication Organisation (OTE)	No EWC	UNI	Annual meeting, additional ad hoc meetings are possible	None	2001
	Hochtief	Hochtief European Works Council	IFBWW	None	None	2000

	IKEA Services B.V.	IKEA European Consultative Council (IKEA Gruppen)	IFBWW	Creation of a joint group, biannual meetings	None	2001
	Impregilo	No EWC	IFBWW, Feneal-UIL, Filca-CISL, Fillea-CGIL	Establishment of a consulting group, meetings at least once a year	None	2004
	ISS	ISS Council for European Social Dialogue	UNI	Meetings as necessary	None	2003
	Lafarge	Lafarge European Works Council	ICEM, IFBWW, WFBW	Formation of a reference group, meetings at least once a year, or whenever necessary, annual review of agreement	None	2005
	Leoni	Leoni European Works Council	IMF	Annual meetings within the EWC meetings	None	2002
	Lukoil	No EWC	ICEM, Russian Oil and Gas Workers Union ROGWU	Annual review meetings	<u>Art. 3.5:</u> To take a socially responsible approach to restructuring its units and organizations under its control, as well as to de-localization of the production facilities, including adequate advance notifications of LUKOIL group plans to reduce workplace.	2004
	Merloni Elettrodomestici SpA	Merloni European Works Council	FIM-FIOM-UILM, IMF	Merloni shall report on implementation and status of the agreement at an annual meeting of the EWC	None	2001
	Nampak	No EWC	UNI	Meetings at least once a year, or at the request of either party	None	2005
	National Australia Group (NAG)	NAG Employee Advisory Council	UNI	Annual meetings	None	

	Norske Skogindustrier ASA	Norske Skog European Works Council	Fellesforbundet ICEM	Annual meetings to review the practise, impact of principles and effectiveness of the agreement	None	2002
	Portugal Telecom	No EWC	UNI	Annual meetings, if necessary preparatory meetings shall precede.	None	2006
	Prym	Prym European Works Council	Prym European Works Council, IMTUA	Annual reporting, exchange of information	None  Reference to impact of globalisation in its preamble: "For international competitiveness and with that securing the future of the company and its employees, the globalisation of Prym is indispensable. Prym and its employees together take up the challenges of the globalisation. Together the chances for company and employment success as well as for competitiveness shall be used and possible risks shall be limited.	2004
	PSA Peugeot Citroën	P.S.A. Peugeot Citroen European Committee	Labour Unions, International Metalworker's Federation (IMF), European Metalworker's Federation (EMF)	Annual reporting, Meetings every three years	Article 3.1: manage employment and skills responsibly take a labour-oriented approach to changes in the business PSA Peugeot Citroen agrees to inform and consult with employee representatives in a timely manner in the event of changes in the company's business. PSA Peugeot Citroen agrees to support employees through any changes in business or employment conditions.	2006
	Quebecor World	Quebecor World EWC	UNI	Meetings as necessary, a minimum of annual meetings	None	2007
	RAG	No EWC	ICEM	Regular consultation	None	2003
	Renault Group	Renault Group Works Council	IMF, FGTB, CFDT, CFTC, CGT, CCOO, CSC, FO, UGT, CFE/CGC	Specific date for a first meeting	<b>Job</b> Renault has a commitment to protect jobs. In the event of reorganization or restructurings, it makes a commitment to train workers for other jobs or, wherever possible, to find other jobs for them within the Group.	2004

Rheinmetall AG	Rheinmetall European Works Council	EMF / IMF	Meetings at least once a year, exchange of information within the body of the EWC	None	2003
Rhodia Group	Rhodia Group European Works Council	ICEM	Annual review meeting	III, Article 2 : <b>Mobility and employment opportunity</b> -In the event of a restructuring, Rhodia pledges to inform employees and their representatives as soon as possible and to give priority to efforts likely to minimize the impact on employment and working conditions, in compliance with local laws and practices.	2005
Röchling	Gebr. Röchling European Works Council	IMF	Annual meetings, body of information exchange is the EWC	None	2004
Royal BAM Group nv	No EWC	Building and Woodworkers International (BWI)	Creation of a reference group, meetings at least once a year, additional meetings possible if necessary	None	2006
SCA	SCA Mölnlycke EWC	Swedish Paperworkers Union (Pappers), ICEM, SCA EWC	Annual meetings	None	2004
Schwanhäußer Industrie Holding GmbH & Co KG (Schwan Stabilo)	No EWC	IG Metall, IFBWW	Creation of a monitoring committee, annual meetings and monitoring every two years	None	2005
Securitas	Securitas Group Council	UNI		None	2006
Skanska	Skanska European Works Council	IFBWW	Annual meeting during inspection of sites	None	2001
SKF	SKF European Employee Council (World Works council)	EMF / IMF	None	None	2003



	Staedler	No EWC	BWI	Creation of a monitoring team, set date for first meeting, then biannual meetings	None	2006
	Statoil	Statoil Global Agreement	NOPEF/ICEM	Annual meetings	None	2003
	Telefonica	No EWC	UNI, UGT, CC.OO	Regular meetings, creation of a group	None	2001
	Umicore	Umicore European Works Council (Previous Union Minière European Works Council)	ICEM, IMF, ACV, ABVV, ACLVB	Creation of monitoring committee, annual meetings	None	2007
	Veidekke ASA	No EWC	Fellesforbundet, Norsk Arbeidsmandsforbund None IFBWW	Annual meetings	None	2005
	Volker Wessels	KVWS European Works Council	BWI	Creation of a monitoring group, at least annual meetings, if necessary more	None	2007
	Volkswagen AG	Volkswagen Group European Works Council	Global Works Council, IMF	Discussion and review of agreement at meetings of the Global Works Council	None	2002
	Westdeutsche Allgemeine Zeitung Mediengruppe	No EWC	IFJ	A minimum of annual meetings, or as necessary; creation of a sub-committee for planning and discussion of proposals resulting from an alleged breach of the agreement	None	2004