



# The ILO research projects on cross-border dialogue and agreements

Konstantinos Papadakis  
Industrial and Employment Relations  
Department- ILO

European Commission  
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# Outline

- Background
- Research on cross-border social dialogue and agreements (2006-2009)
  - products and summary of findings (ILO research)
- Way forward (2010-2011)
- Facts and new developments.

# Background

- Increasing capacity of MNEs (capital mobility) to move across borders; social actors' activity (e.g., Unions, NGOs) and institutions is located at local/national level; absence of top-down regulatory framework.
  - in response to this **mismatch** emergence of voluntary initiatives;
- IFAs particularly interesting from an ILO perspective;
  - establish cross-border social dialogue structures
  - promote specific ILO Instruments (notably, C. 87 and 98)
- Policy documents at the ILO level inviting the Office to generate knowledge on cross-border Industrial Relations
  - ESP Committee (2007)
  - ILC debates on sustainable enterprises (2007)

## Research on cross-border social dialogue and agreements (2006-2009)

- Focus on IFAs
- Collaborations and information exchange with external experts and academics, ETUC, Eurofound, and EC
- Main products
  - Research workshops: (1) mapping; (2) research methodologies; (3) impact of IFAs
  - Edited book (2008/2009), Working Paper (2009)
  - E-Survey on management perceptions

## Summary of findings

- Edited book (2008/2009)
  - History; IR; legal dimension; initiatives in the maritime and textile; EU and ILO policy responses
- Are IFAs “collective agreements” in the sense of Recommendation 91 on Collective Agreements (1951)?
  - From an ILO perspective, IFAs possess some, but not all, of the essential constitutive elements of industrial relations instruments akin to collective agreements.
  - Many unresolved questions (content, effectiveness of machinery for monitoring/follow up, dissemination)

## Summary of findings: motivations

- Signing agreements in extra-EU countries
- Field research in South Africa, Russian Federation and Japan (Lukoil, Anglo Gold Ashanti and Takashimaya)
- Civil pressure combined with anticipatory factors were a catalyst in explaining the decision of the companies
  - Civil pressure: information campaigns by enterprise unions and GUFs on core labour rights across the global value chain (not protest and mobilisation)
  - Anticipation: management viewed IFA as a tool for (a) risk management; (b) smooth transition in times of industrial change; and (c) business expansion/access to new markets (notably EU)
  - Uniting theme: project at the international level the good relations of trust between the enterprise and its union which already prevail at headquarters, through the recognition of the universality of International Labour Standards and of a global partner (GUF).

## E-Survey of MNEs (2008-09)

- Management perceptions on impact of IFAs, successes, challenges in implementation, costs/benefits, potential developments
- Respondents: Directors of global HR, IR, CSR departments
- Sample (early 2008):
  - 17 companies (out of 63), or 1/4 of signatory companies
  - Labour force (2008) : 2.2 m. workers out of 5.9 m. covered by IFAs, or 37%
  - Various sectors, and countries of origin

## E-Survey: Main findings

- **Distribution:** IFAs remain largely an internal document.
  - Line managers and managers in foreign operations mainly informed;
  - Consumers (e.g., through the web and other media) and labour force are rarely informed;
  - Not all surveyed MNEs for which IFA was “mandatory” for suppliers, had communicated the document to them.
- **Monitoring:**
  - Periodic labour management meetings (participation of GUFs)
  - Some degree of institutionalisation at cross-border level notably the EU level
  - World Employee Committees remain an exception



## E-Survey: main findings (cont)

- **Main impact identified:**
  - increased credibility of the company towards shareholders and investors (and consumers to a lesser extent)
  - Increased trust in labour management relations
  - Nor or Very little (economic) impact in terms of **market-share** increase or **productivity and innovation** improvement
- **Costs:**
  - IFAs do not seem to generate additional costs
  - absorbed by the overall CSR budget of MNEs
- **Challenges:**
  - Difficulty to have the IFA accepted by managers in foreign operations (autonomous units)
  - Prohibitive local laws and practices
  - (funds scarcity/disputes least important challenges)

## E-survey: main findings (cont)

- **Potential developments:** IFAs generate relatively high potential for
  - collective bargaining and negotiations at the foreign operations level
  - Relatively low potential for
    - Increases in wages to « higher common denominator of foreign operations »
    - Information leaks to competitors (confirms trust)

## Way forward (research in 2010-2011)

- Forthcoming edited publication on the impact of IFAs (March 2010)
- New research project (all relevant ILO unit)
  - Impact of IFAs (cont) notably on SMEs, the employment relationship? links global/local?; research on the role of States (role of the ILO Declaration on MNEs)? new sectors concerned by IFAs?

# Facts

- Sensitivities of social partners
  - Research / policy development
  - ILO functions as a repository of knowledge rather than an agency which promotes IFAs
- ILO instruments and functioning
  - Mostly driven by national level priorities (DWCPs) and less “cross-border”;
  - Maritime Convention is the most innovative (many elements of cross-border dimension);
    - developed because not only Workers but also Maritime Employers are organized at the Global sectoral level (this is not the case in other globalised industries, eg.. textile)

# New developments

- (2008) MULTI Help Desk
  - For MNEs and social partners
- (2008) ILO Declaration on Social Justice for a Fair Globalisation
  - calls the Office to develop partnerships with MNEs and GUFs;
- ILO Strategic Policy Framework 2010-15
- Debates at the June 2009 ILC (which led to the Global Jobs Pact)
  - highlight the role of cross-border dialogue dialogue initiatives affecting the global supply chains of MNEs in times of crisis.