



## **ILO Research on International Framework Agreements**

Industrial and Employment  
Relations Department (DIALOGUE)

Kostas Papadakis

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national company agreements

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D I A L O G U E

<http://www.ilo.org/dial>

## Activities

- Knowledge building P&B 2010-11
  - In-house & external collaborations
- Outputs in 2010
  - Transnational company agreements on enterprise restructuring, Dialogue in Brief (September)
  - Management perceptions on the impact IFAs (on-line survey, October)
  - Impact of IFAs: Case studies, edited volume (December)
- ...under preparation for 2011
  - Cross-border industrial relations during the crisis (various sectors, Europe)
  - Impact of IFAs in the Global South (four UNI IFAs / four countries - G4S/Malawi, ISS/Australia, FT/Cameroon, Telefónica/Brazil)

# Activities

- Knowledge exchange
  - with global unions (Feb. 2011)
  - with businesses (tbc)
- Outreach
  - Webpage on cross-border industrial relations
  - Database with IFA / multinational profiles
- Trans-national level of industrial relations is now part of the ILO's activities

## How many global agreements?

- **80-plus agreements** between Global Union Federations and MNEs (July 2010).
  - IFAs + EFAs = approx. 160 (*all* kinds of transnational texts negotiated at enterprise level)
- pace of adoption since 2003 has accelerated
  - Roughly 6 per year

## Which multinationals?

- **MNE profile:**
  - Mostly EU-headquartered (French, German, Nordic)
  - 12 out of 80-plus are non EU-based ( MNEs from US, South Africa, Australia, Russia, New Zealand, Canada, Brazil, Japan, Malaysia)
  - Several ranked in the top 100 non-financial MNEs
- **Coverage:**
  - 6.3 million workers (out of 77 million, excluding subcontractors and suppliers)

## Which sectors?

- “producer-driven” global supply chains
  - capital- and technology-intensive industries and where union organising is easier (automotive, chemical, food, broader service sector)
- IFAs in labour-intensive sectors (“Buyer driven”) remain rare
  - union organisation is difficult
  - only one agreement in the textile/apparel footwear (Inditex-ITG, 2008)

# Selected findings (Europe)

- TCAs and restructuring
  - Win win situations during the crisis
  - (unions) cross-border coordination, avoiding downward spiral of wages and jobs
  - (management) increase levels of trust, easier acceptance of change, strengthened common corporate identity

## **Selected findings: Main impacts (non EU case studies)**

- Recognition of workers' representatives at the global level (++++)
- Increased possibilities for workers' organisation at local level, and coordinated bargaining global/local (+++)
- ... although evidence in this area is not systematic
- Unblocking longstanding situations/resolve disputes (++)
- **Not yet « collective agreements » (not legally binding)**
- The only fully-fledged binding global collective agreement can be found in the maritime sector regulating seafarers' terms and conditions of employment (including wages)



## Key messages

- **Effective implementation of IFAs requires improved ownership**
  - On the unions' side: standardization of negotiation procedures, clear mandate to the global union
  - On the management side: Involvement of managers of local operations in the design/signature of the IFA (not only HQ managers who are seen as remote from plant level operations)

## Key messages

- **The development of further IFAs including outside the EU and the US is a possibility, if**
  - a global union strategy focuses on enterprises that already have a fair record of labour relations in their home country;
  - engaged in the process of business expansion;
  - and if managers become convinced of the value of IFAs as a tool for risk management

## Key messages

- **Need to strengthen union exchange and cross-border cooperation as well as build local union capacities**
  - Inclusion of clauses in new IFAs that would allow for supplementary agreements to be negotiated nationally by the local parties may facilitate such process

## Key messages

- **Going beyond “core labour standards” may be useful for both sides**
  - include practical questions such as anticipating industrial change and managing restructuring (as in European agreements)

# Thank you

<http://www.ilo.org/dial> (“information resources” / “Cross-border social dialogue and agreements”)

[papadaki@ilo.org](mailto:papadaki@ilo.org)

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