IFAs and EFAs:
- ‘essai’ of a qualitative analysis

Expert Group –
transnational company agreements

Brussels _ 27 November 2009

Dr. Christian Welz _ European Foundation
The European system of IR

European social dialogue

Intersectoral social dialogue

Sectoral social dialogue

EWCs IFAs_EFAs SEs

national social dialogue

Cross industry

Sectoral

Company
**Definition**

- **IFA**
  - company agreement signed by a MNC and a Global Union Federation (GUF)

- **EFA**
  - company agreement signed by a MNC and a European Industry Federation (EIF) and/or a EWC
International and European Framework Agreements

actors: MNC, GUFs > IFAs
       MNC, EIF and or EWCs > EFAs

process: no legal framework at EU or international level

outcomes: 72 IFAs
          73 EFAs
European Framework Agreements in 10/08

73 EFAs

- 52 co-signed by an EWC
- 42 signed by an EWC only
- 10 co-signed with EIF
- 3 co-signed with national TU
- leader: France
  - with 38 EFAs in 14 companies
  - Suez (5), Air France/KLM (4), Vivendi (3), Total (3)
IFAs in October 2008
IFAs / EFAs: 1998 - 2008
<table>
<thead>
<tr>
<th></th>
<th>IFAs</th>
<th>CC</th>
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<tbody>
<tr>
<td>General reference ILO</td>
<td>69%</td>
<td>24%</td>
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<tr>
<td>ILO core conventions</td>
<td>55%</td>
<td>12%</td>
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<tr>
<td>UN Declaration on HR</td>
<td>26%</td>
<td>32%</td>
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<td>Global Compact</td>
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<td>OECD Guidelines</td>
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<td>14%</td>
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<td>ILO Tripartite Declar.</td>
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<tr>
<td>Anti-discrimination</td>
<td>94%</td>
<td>90%</td>
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<tr>
<td>Freedom of association</td>
<td>96%</td>
<td>54%</td>
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<tr>
<td>Child labour</td>
<td>91%</td>
<td>62%</td>
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<tr>
<td>Forced labour</td>
<td>91%</td>
<td>52%</td>
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<tr>
<td>Company</td>
<td>Country (Head-quarters)</td>
<td>Sector</td>
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<td>Air France KLM</td>
<td>France</td>
<td>Transport</td>
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<td>Steel Industry</td>
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<td>France</td>
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<td>Daimler Chrysler</td>
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<td>Danone</td>
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<td>Food and Drink</td>
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<td>Diageo</td>
<td>United Kingdom</td>
<td>Food and Drink</td>
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IFA _impact: Chiquita

- image improved
  - from antagonistic to cooperative relationships with TUs

- TUs highlighted the successes
  - open recognition of both the IUF and COLSIBA by senior management
  - resolved difficult situations

- IFA increased TU membership in company and suppliers
  - most significant success
  - close to 5,000 new members in Colombia
IFA _impact: EDF

- IFA contributed to social dialogue
  - both at national & international level
  - within each subsidiary local negotiations started re implementation of the IFA
- social dialogue has been improved in certain countries
  - e.g. PL
- creation of a works council for Asian countries
  - similar to an EWC
IFA _impact: Telefónica

- IFA had a favourable impact on IR and fostered more respect for human rights at the workplace

- both management and the trade unions have put the agreement into practice

- adopted a better approach in resolving the difficulties encountered

- IFA had a high added value
  - mechanism of ADR and as an early warning system
• head of business
  ▸ within group > responsible for compliance
• employees
  ▸ informed orally or in writing
• in case of breaches
  ▸ TUs and WCs may inform central management
• arbitration process
  ▸ agreed by the Head of HR & the EWC
• suppliers & subcontractors
  ▸ asked to cooperate 'as best they can'
Inclusion of suppliers & subcontractors in the application of IFAs

- 46% inform suppliers
- 31% no mention of suppliers/subcontractors
- 14% resp. of entire supply chain
- 9% resp. of suppliers

Inclusion of suppliers & subcontractors in the application of IFAs
Level linkages

European social dialogue

- Intersectoral social dialogue
- Sectoral social dialogue
- National social dialogue
- EWCs, IFAs, EFAs, SEs

Cross industry | Sectoral | Company
 growing interaction between:

a) intersectoral and sectoral dialogue in both directions
   - telework sectoral > intersectoral
   - violence & harassment intersectoral > sectoral
   - towards soft law outcomes

b) between the sectors
   - crystalline sillica (15 sect. EMP and 2 EIF)
   - best value codes (textiles, cleaning, private security, catering)
c) sectoral and company level

- EIF = important actors at both levels
- similar topics in European sectoral dialogue and EFAs
  ~ social dialogue, health and safety
- crystalline silica > more multi-sectoral agreements?

d) company > company

- EWC agreements important mutual learning exercise > EFAs
Conclusions

transnational dialogue at company level

- stable actors on EMP side, variable on TU side (GUF, EIF, EWC, nat.TU, nat. WC)
- no legal framework at international or EU level
- limited impact on suppliers and subsidiaries
- limited impact beyond Europe

- IFAs/EFAs reflect traditions of European IR
  - concentrated in social market economies with collective interest representation
Further information

- [http://www.eurofound.eu.int/publications](http://www.eurofound.eu.int/publications)

- 2009

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