Impact of transnational framework agreements on corporate governance

Global Labour University Conference, Berlin 16 Sept. 2010

ETUI Research Department
Isabelle Schömann
Senior Research Officer, NETLEX Coordinator
European Trade Union Institute www.etui.org
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 2
Institutionnel and legal framework

International
european
national

ILO

Lisbon Treaty 154-155

National law

Cross sectors
Social Dialogue

Sectoral Social Dialogue

Company Social Dialogue

- -

IFA

National law +/-

EFA

etui.

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Transnational social dialogue 3

Actors

Cross sectors Social Dialogue

Sectoral Social Dialogue

Company Social Dialogue

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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:

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

- Case studies include companies with associated unions or groups.
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

<table>
<thead>
<tr>
<th></th>
<th>ETUF</th>
<th>GUF</th>
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<tbody>
<tr>
<td><strong>Strategy</strong></td>
<td>Collective bargaining on the basis of partnership</td>
<td>To force MNs to sign ACI ‘Model agreements’</td>
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<tr>
<td><strong>Role</strong></td>
<td>Transnational bargaining based on transnational coordination</td>
<td>International cooperation / coordination of trade union action</td>
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<tr>
<td><strong>Enforcement</strong></td>
<td>Recourse to local collective bargaining tools</td>
<td>Little control</td>
</tr>
<tr>
<td><strong>Conflict resolution</strong></td>
<td>ADR</td>
<td>ADR</td>
</tr>
<tr>
<td><strong>Suppliers Subcontractors</strong></td>
<td>Direct impact</td>
<td>Less direct impact</td>
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Impact of transnational framework agreements on corporate governance
## Good practices and performance indicators

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<thead>
<tr>
<th>Good practices and indicators</th>
<th>GUF</th>
<th>EIF</th>
<th>EWC/ad hoc body</th>
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<tbody>
<tr>
<td>Recognition of trade unions rights</td>
<td>+</td>
<td>+/--</td>
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<tr>
<td>Commitment to enforce specific workers rights</td>
<td>+/-</td>
<td>++</td>
<td>+</td>
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<tr>
<td>Recognition of trade unions as legitimate partners</td>
<td>++</td>
<td>+</td>
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<tr>
<td>Better communication between labour-management</td>
<td>+</td>
<td>++</td>
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<td>To launch negotiation between management and labour</td>
<td>+</td>
<td>++</td>
<td>+</td>
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<tr>
<td>Conflict management tool</td>
<td>+</td>
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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?

European Labour Law

Transnational workers’ participation
Collective redundancies
Transfer of undertaking/EWC/SE/
Information and consultation

ESSD
Art. 154-155 Lisbon Treaty

ESD
Cross industry
Art. 154-155 Lisbon Treaty

Transnational Company agreements

EU Collective actions
No legal basis

EU ADR
No legal basis

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THANKS FOR YOUR ATTENTION