

**Global Framework Agreements: a new
tool for international labour**



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Executive Summary



McDonald invests millions of dollars in the McFamily concept, hamburgers for Africa and sponsorship of Unicef. In their Corporate Social Responsibility programme (2001), they aspire to become the best employer in each community around the world. The International Union of Foodworkers on the other hand regard their programme as a manual for union busting. Franchisees in Canada have closed rather than agreed to union recognition. Workers in Norway, Denmark and Iceland were informed that the company did not see itself bound by national collective agreements. Similar reports are made of union right violations in Columbia, union busting in Pakistan, and workers offered payment to resign from unions and works councils in Germany. Like McDonald, several other multinationals have developed ethical guidelines or programmes of corporate social responsibility, while simultaneously axing employees in restructuring efforts, paying poverty wages and/or denying their workers the right to organise or bargain collectively. While several multinationals demonstrate a real commitment to social responsibility, others seem to demonstrate a stronger interest in its publicity value.

Several campaigns have succeeded in identifying, targeting and improving bad labour practices in multinational companies, but most of the social corporate responsibility initiatives and so-called Codes of Conduct being marketed these days are unilateral management initiatives, do not mention labour standards and have limited value for labour. At the same time, several so-called Global Framework Agreements have been negotiated between management and labour recently, establishing a set of minimum labour standards and a process of social dialogue for further advances. While still few, modest, and far apart, the global framework agreements serve as important learning ground for the international labour movement and its development of future tactics as well as a springboard for further advances. At the same time, their real test will lie in whether they are able to deliver to southern workers what they have not achieved through national legislation and collective bargaining, namely actual improvements in terms of labour standards.

Global framework agreements are fundamentally different from Codes of Conduct, and corporate social responsibility. Framework Agreements point out negotiated reciprocal rights and duties and are hence in *some* respects to be regarded as collective agreements at the global level. They secure the right of labour to influence and monitor companies' global performance and to raise alleged breaches of the agreement with corporate headquarter management. While company codes are generally unilaterally introduced, framework agreements are negotiated between the corporate management and the labour movement. While codes of conducts are limited to setting minimum standards in limited areas, framework agreements may cover a variety of subjects. More importantly, many codes of conduct do not cover labour standard, while framework agreements include all the ILO core labour standards. In contrast to most company codes, global framework agreements give full disclosure of the subcontracting chain. While most codes of conduct lack monitoring mechanisms and verification is under company control, global framework agreements give labour joint control over monitoring whether directly or through independent verification. Finally, while codes of conduct in general establish no dialogue with the company workforce, global framework agreements establish fora and procedures for continuous dialogue. The agreements constitute as such an important framework for further dialogue between management and unions at both the local and the international level.

While framework agreement are usually achieved through trade union campaigns and pressure, business also has a lot to gain from such global agreements in terms of improved access to information and better communication within the company. The agreements hence serve as valuable tools in a holistic, responsible management approach which helps give early warning of problems the company should be aware of, while allowing them to take early action to mitigate risks, etc.

Several factors are important in explaining the success of labour in campaigning for recognition by, and global framework agreements with, multinational companies. There is currently a strong drive amongst all the global trade union federations for more framework agreements. Resources are invested in networks, databases, global councils etc. and not the least secretariat support for these structures and processes. The nationality of the multinational, and the strength of the national union in the corporate headquarter, seem amongst the most important factors in explaining success. Sector specifics and corporate motives also make it easier to achieve recognition in some multinationals than in others. And

campaigns and alliances with NGOs and external groups may serve as additional factors, which help bring corporate management in favour of an agreement with labour.

The global framework agreements aim to be of specific benefit to workers in the south where rights are not secured through national legislation and agreements. Progress and value accruing from the global framework agreements will hence have to be determined in the future on the basis of dissemination of information, representation and actual improvements of labour rights in the south. The global framework agreements represent a major step forward for labour rights, but only the first step. In order for global framework agreements to be followed by more workers getting a real right to organise, and more collective agreements being negotiated at the local level, considerable resources and work will have to be invested by the trade union movement. As with national collective agreements, the effects of global agreements will be determined by the nature of negotiation, work and struggle invested by the labour movement itself.

Preface



In the larger picture of unemployment, underemployment, huge wage gaps and inequality as well as poor health and safety standards for millions of workers worldwide, it may be easy to overlook inroads and success stories for labour. Yet, the small, but increasing number of global framework agreements negotiated between multinational companies and the international labour movement represent significant developments for labour. These agreements establish a minimum level of labour standards for the global operations of these multinationals, and a system of social dialogue for further advances.

The number and power of multinational companies has increased rapidly in the past decades on the background of massive increases in foreign direct investments, capital flows and cross border mergers and acquisitions. We will, however, not go into the nuts and bolts of international capital, trade and investment flows in the following report. Our focus is on the Global Framework Agreements as a tool for labour at the international level. Yet, it should be underlined that with the current pace of changes both in the corporate landscape, and when it comes to trade union strategies, the report only aims at presenting a snapshot of the current processes. While the global trade union federations are critical in negotiating global framework agreements, the role of strong national unions and local shop stewards should not be underestimated. This report is therefore first and foremost aimed at providing information to, and initiating debate at the national level in the labour movement.

The report is based on information from interviews with representatives of the Global Trade Unions Federations and the International Confederation of Free Trade Unions (ICFTU), search of documents and global agreements as well as a previous evaluation report of the global strategies of the International Union of Foodworkers towards the MNCs (Tørres 2000). A report by Jane Wills on the Accor agreement also provided valuable information. Our report was first drafted in 2001 and made possible with funding from LO Norway. The present report is updated and edited in 2002 under the Labour International Think Tank at Fafo. Stein Gunnes drafted the initial sections on the contents and focus of global agreements. Liv Tørres is responsible for the remaining parts and the final editing of the report. We have benefited from helpful support and useful inputs from Pieter Sijbrandij (Observatorio Social in Brazil), Eivind Falkum (Fafo), and Audun Ruud (Prosus). Furthermore, Alice Carl (PSI), Ron Oswald (IUF), and Robert Steiert (IMF) have given valuable advice. Several people have also invested precious time in order to give us information. Jim Catterson from ICEM, Ann-Marie Mureau and Peter Unterweger, IMF, Bob Ramsey, UNI, Marion Feldman, IFBWW and Dwight Justice, ICFTU should be mentioned in particular. Finally, we would like to thank Leonard Larsen from LO, Norway and Ron Oswald, general secretary of the IUF in particular for awaking our interest for these new labour tools in the first place!

Facing a new shop floor



January 26 2000 became the "Day of the Long Knives" at Coca-Cola headquarters in Atlanta when some 2,500 employees at headquarters were axed, along with 800 employees at other U.S. sites and 2,700 employees in other countries (<http://iuf.org.uk>). Many of the functions performed by those laid-off were to be assigned to sub-contracting companies. Only about 20 000 of the hundreds of thousands of employees around the world who serviced the vast Coke empire were to be directly employed by the company. Subsequently, labour standards of the other employees were no longer to be the responsibility of Coca-Cola. Workers in other multinational companies confront similar experience every day. Retrenchments, subcontracting and core business as well as mergers, acquisitions and take-overs have become part of the vocabulary for millions of workers and their shop-stewards. With the size and location of companies continuously changing, so does the workforce and the size and location of workers' collectivity and collegiality. One year you may have colleagues in Germany or Norway, the next in Brazil or South Africa. One year, you may be working in a manufacturing multinational, the next in a service multinational, or a "total contractor and service provider"¹. One year, your comrades at work are manufacturing workers, next year they may include financial and IT employees.

Through a revolution in communication systems, rapidly decreasing transport and telecommunications costs, and liberalisation of financial markets, workers all over the world now find themselves in global production network producing pieces for a final product they may not even see. Several have experienced their workplace being bought up by large multinationals and the workforce hence extended to many hundreds of thousands.² Several find their numbers of colleagues swelling, but even more the profits of the multinationals.³ Twenty-nine of the world's largest economic entities are multinational companies, and the relative importance of large multinationals in the world's economy is increasing (UNCTAD 2002). Yet, while Exxon is comparable in economic size to the economies of Chile and

¹ Large building and construction companies are developing into total contractors and service provider groups as a consequence of large scale privatisation of for example airports in Europe and more and more of infrastructure projects are being executed by means of so-called BOT projects (Build, Operate and Transfer), under which a structure is not only built, but also financed and operated under licence for a certain period.

² Some of the MNCs employ a workforce the size of a middle sized European or African city, such as Nestle with about 230 000 employees, General Motors 690 000, DaimlerChrysler close to 470 000 and WalMart a staggering 1,2 million people employed only to name a few.

³ Employment in the top 200 MNCs grew by 14 percent from 1983 to '99 compared with growth in profits of 362% (Anderson & Cavanagh 2001).

Pakistan, and the collapses of Enron and WorldCom has direct impact of the lives of workers all over the world, workers have limited influence on the strategies of the same entities. In fact, while often being more dependent upon these companies than on their national governments for their survival, they have less influence over the companies than over their own governments and less also than what they had before their companies were integrated into the global production networks.

Already 70 million workers are employed by multinationals or their affiliates.⁴ Millions more depend upon multinationals through subcontracting and outsourcing. For these workers, processes of restructuring have gained pace, become more unpredictable and access to information about market shares, business strategies, and employment more scarce. Influence gained through collective bargaining and/or workplace participation at the national level has become obsolete due to critical decisions being moved to other levels and fora. National management in multinationals such as Krafts, Nestle, Nike or WalMart tell shopstewards that they have limited space to negotiate labour standards and wages at the national level. Corporate management in the same multinationals tell global union federations that the prerogative to negotiate standards lie in the hands of national management. Yet, companies such as McDonalds announce in Norway, Denmark, Iceland, and several other countries that they will not be bound by national collective agreements.

Colleagues and comrades in the same companies find themselves in different parts of the world with different pay systems, bargaining systems and trade union structures. In spite of international trade and investment flows predominantly taking place between the OECD countries⁵, shopstewards and unions in the north are confronted with threats of company closures and relocations to the south. Simultaneously, shop stewards in the south are told to keep costs down in order to compete for trade and investments. North American, European and Japanese companies, employ increasing numbers of workers in the south.⁶ A field of widespread violations of basic workers rights is the flourishing export processing zones (EPZ), or maquiladoras, employing about 45 million workers internationally, where national labour law is often exempted and even less properly monitored. While many multinationals will maintain relatively good wage and collective bargaining systems in their home countries,

⁴ In about 63 000 multinationals with 690 000 foreign affiliates. For more detail, see UNCTAD (2000, 2002), Kozul-Wright & Rowthorn (1999) and the ICFTU (2002) Trade Union Guide to Globalisation (www.icftu.org.uk). Multinational Companies are defined in the ILO Tripartite Declaration as firms "whether they are of public, mixed, or private ownership, which own or control production, distribution, services or other facilities outside the country in which they are based" (ILO 2001).

⁵ The industrialised OECD countries account for around 80% of world trade (OECD 1998). By 1998, the industrialised countries held 69% of all FDI stocks and received 73,6% of all FDI flows (UNCTAD 2000).

⁶ Three quarters of all multinationals are based in North America, Western Europe and Japan.

lack of recognition and bargaining rights as well as suppression of health and safety standards etc. in their subsidiaries abroad remain a major challenge.⁷

While several campaigns have succeeded in identifying, targeting and improving bad labour practices in multinational companies, most of the social corporate responsibility initiatives and so-called Codes of Conduct being marketed these days are unilateral management initiatives, do not mention labour standards, and have limited value for labour. At the same time, several so-called Global Framework Agreements have been negotiated between management and labour recently, establishing a set of minimum labour standards and a process of social dialogue for further advances. These agreements represent dividends from alliances between national unions and their international federations. While still few, modest, and far apart, the global framework agreements serve as important learning ground for the broader international labour movement and its development of future tactics as well as a springboard for further advances. At the same time, their real test will lie in whether they are able to deliver to southern workers what they have not achieved through national legislation and collective bargaining, namely actual improvements in terms of labour standards. The global framework agreements aim to be of special benefit to workers in the south. While in Europe, there exists legislation or collective agreements on most subjects covered in the global framework agreements, the situation is clearly different outside Europe, with most workers having no access to information, consultation, works councils and limited labour standards. On that basis, we will in the following report look closer at the essence of global framework agreements and some of the factors that may help explain how they came about.

The essence of Global Framework Agreements



International campaigns, consumer, NGO and labour pressure has brought about a new attention amongst multinationals to corporate social responsibility. In consequence, several multinationals seem currently to give more attention to “ethics”, labour and environmental standards in their core operations. The OECD⁸ and ILO⁹ have developed guidelines for

⁷ Research by Observatorio Social documents for example how trade unionists in several European multinationals (such as Unilever, Bosch, Bayer) report on difficulties of access for trade unions, problems in negotiations etc. (*Humanizar O Globo*, 2002)

⁸ The OECD Guidelines for Multinational Enterprises (1976) were revised in 2000 after being fairly inactive in recent years. Although there were improvements in the content, including the inclusion of the core labour standards and language on supply chains, the most significant changes were in the coverage and the implementation of the Guidelines (ICFTU 2002). Adhering countries must now apply them to companies regardless of the host country and the National Contact Points (NCPs) mandated in (*footnote continued*)

multinational enterprises defining the responsibility, including social responsibility, of international business (Kearney and Justice 2001). Yet, a large challenge remains of getting multinational companies to actually make active use of the guidelines. A wave of social corporate responsibility and codes of conduct has emerged as a reflection of the increasing global outreach and powers of multinationals and not the least a result of bad publicity and pressure from labour, consumers and NGOs. Yet, a majority of the codes are developed unilaterally with no reference to the ILO and OECD guidelines or to the model Code of Conduct developed by ICFTU and the Global Unions. A common characteristic of the current Codes as well as the Global Compact of the UN is that they set voluntary standards and while offering guidelines, goals and intensions, they are not compulsory and have neither enforcement mechanisms nor recognised bodies to control, mediate and/or evaluate fulfilment of the intentions.

“AngloGold, ICEM and the South African National Union of Mine Workers have signed an agreement on the promotion and implementation of good human and industrial relations in AngloGold operations worldwide. It is the first such global agreement to be signed in the mining industry and the first in the developing world.” (joint press briefing 13 September 2002)
 Commenting on behalf of the NUM, General Secretary Gwede Mantashe commented: “This agreement with AngloGold represents a breakthrough in ensuring that the industry respects and adheres to best international practice.”
 Bobby Godsell from AngloGold responded: “AngloGold is pleased to be part of a process whose intention is to protect and advance the interests of all stakeholders in our industry and to promote dialogue and sound labour relations.”

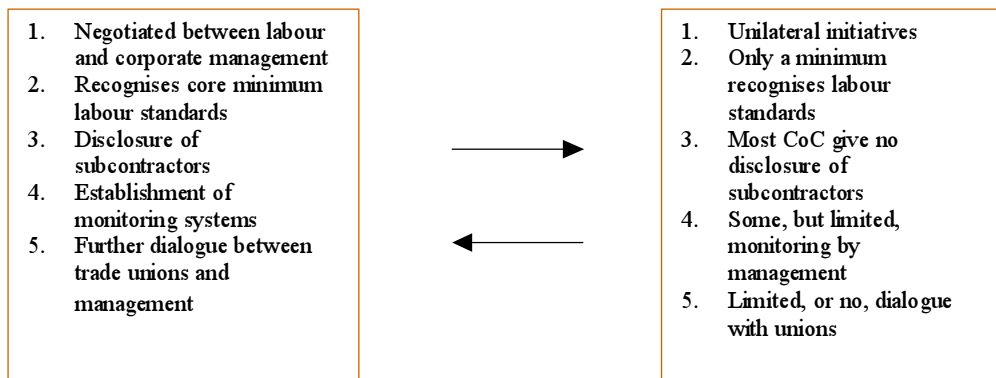
Global framework agreements are fundamentally different from Codes of Conduct, social corporate responsibility, and joint statements although they are sometimes lumped together misleadingly in the literature (Gallin 2001). Framework Agreements point out negotiated reciprocal rights and duties are hence in *some* respects to be regarded as collective agreements at the global level. They secure the right of labour to influence and monitor companies’ global performance and to raise any alleged breaches of the agreement with corporate headquarter management (ICEM 2001). While company codes are generally unilaterally introduced, framework agreements are negotiated between the corporate management and the labour movement. Furthermore, while codes of conducts are limited to setting minimum standards in limited areas, framework agreements may cover a variety of subjects. More importantly, most codes of conduct do not cover labour standard, while framework agreements include all the ILO core labour standards. In contrast to most company codes, global framework agreements give full disclosure of the subcontracting chain. And while monitoring mechanisms are lacking in most codes of conduct and verification is under company control, global framework agreements give labour joint control over monitoring

every adhering country must report on the conclusion of cases at national level as well as reporting annually to the OECD. See: <http://www.oecd.org/EN/home/0,,EN-home-93-3-no-no-no,FF.html>

⁹ ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and social policy 1977. The Dedaration of Fundamental Principles and Rights at work 1997-98.

whether directly or through independent verification. And finally, while codes of conduct in general establish no dialogue with the company workforce, global framework agreements establish fora and procedures for continuous dialogue.

Global framework agreements versus codes of conduct



However, global framework agreements also differ from national collective agreements in that there is no defined *legally binding* mechanism for implementation and problems or unclarity of jurisdiction. Unless the agreement text specifically states that the agreement is legally binding in all its subsidiaries and countries of location, and as such is to be regarded as part of the collective agreement in the subsidiary or company concerned, the agreement should not be regarded as a collective agreement as such. These agreements do however secure commitments on the part of MNCs to respect workers' rights, and are as such expression of joint principles rather than a legally binding or enforceable text.

A main purpose of a framework agreement is to establish an ongoing relationship between the multinational company and the global trade union federation, which can solve problems and work in the interests of both parties (Justice 2001). Global forums or institutions are hence established where management and representatives of trade unions meet regularly, mostly to discuss the implementation of the agreements, but also in some cases for wider discussions about the company's business and policies. In that sense, the agreements serve as a framework for further bargaining and negotiations at national and local levels, and for further dialogue at the international level.

Danone, a French food and nutrition producing company, and the IUF signed the first and most comprehensive global agreement in 1989 and serves in some respect as a model agreement for the later work of many global trade union federations. Their "Common Viewpoints" signed in 1989 established a formal relationship between the parties and pledged

their commitment to work together in areas of training, access to information, respect for trade union rights and employment and gender equality. Subsequently, the IUF and Danone have negotiated agreements in all these areas (Justice 2001).¹⁰ Importantly, the parties recognise the importance of constructive workplace relations and the social value thereof.

As of January 2003, there are 20 Global Framework Agreements negotiated between global union federations and multinational companies.¹¹ On the basis of increased focus on corporate social responsibility internationally in the business sector, a wave of consumer and NGO pressure, heightened awareness amongst international institutions et.al., the global trade union federations have increasingly seized the opportunity to pressure for more Framework Agreements. While few at the offset, these agreements may indicate new opportunities and space for organising and bargaining for the global unions. The multinational companies where global framework agreements have been negotiated are listed in the table below.

¹⁰ See below for more information on the Danone agreements.

¹¹ Some codes of conduct have been labelled global framework agreements, and in particular the CoCs in Artsana, ISS, Club Mediteranee, Suez Lyonnaise Des Eaux, Air France and Vivendi (see for example EWCB 2000 & Wills 2001). Several of these cover labour rights, and some are codes developed in consultation with labour. However, while definitions on the framework agreement vary, we have only included those on our list here that establish labour-management follow-up procedures and dialogue, abide by the ILO standards and are negotiated with the global union federations. Vivendi and Suez Lyonnaise des Eaux have negotiated social charters with their EWC. Both of these and the ISS charters fail, however, to mention the right to bargain collectively. FIET, now merged into UNI, was consulted by ISS on their CoC, but did not sign any agreement or joint text (Interview with Bob Ramsey of UNI, May 2001). The Artsana agreement is binding for the global operations of Artsana, abide by the ILO conventions and establish further dialogue and monitoring of the agreement, but is negotiated with the three national Italian unions and not the global union federation. The agreement in Hyder, management signed up to the trade union (PSI) Code of Conduct. However, the fate of this initiative is not clear due to the company having been taken over by WPD and the subsequent disposal of its Welsh water business to Glas Cymru (EWCB 2002).

Global Framework Agreements in multinational companies¹²

Company	Type of framework agreement	Date of signing	Home country	Branch	Employee-side parties ¹³
<u>Accor</u>	<u>Agreement</u> on trade union rights	June 1995	France	Hotel/accommodation	IUF
Anglo Gold	Agreement on the Promotion and Implementation of Good Human and Industrial Relations	September 2002	South Africa	Mining	ICEM and the National Union of Mineworkers (NUM)
Ballast Nedam	Agreement on employee's rights	March 2002	Netherlands	Construction	IFBWW and national unions (FNV Bouw)
<u>Carrefour</u>	<u>Agreement</u>	May 2001	France	Retail	UNI
<u>Chiquita</u>	<u>Agreement</u>	June 2001	USA	Agriculture	IUF /COLSIBA
DaimlerChrysler	Agreement on Social responsibility Principles	September 2002	Germany	Auto industry	IMF
<u>Danone</u>	<u>Various joint texts</u>	1988/1997	France	Food processing	IUF
Endesa	Protocol to institutionalise global dialogue	January 2002	Spain	Power industry	ICEM and national unions CCOO & UGT
ENI	Agreement on corporate social responsibility	November 2002	Italy	Energy/oil & gas, electricity	ICEM and national unions CGIL, CISL & UIL
<u>Faber-Castell</u>	<u>Agreement on code of conduct</u>	March 2000	Germany	Office material	IFBWW & national unions IG Metall
Fonterra	Agreement on minimum labour standards & change in business activities	April 2002	New Zealand	Dairy industry	IUF & national union New Zealand Dairy Workers Union (NZDWU)
<u>Freudenburg</u>	<u>Agreement</u> on cooperation, responsibility and social dialogue	July 2000, revised 2002	Germany	Chemical industry	ICEM & national union IG BCE
Hochtief	Code of conduct	March 2000	Germany	Construction	IFBWW, national union (IG BAU) & national works council
<u>IKEA</u>	<u>Agreement</u>	May 1998, revised December 2001	Sweden	Furniture/Inventory	IFBWW
Merloni	Agreement	December 2001	Italy	Metal industry	IMF
Norske Skog	Agreement	2002	Norway	Paper	ICEM & national union (Fellesforbundet)
OTE	Agreement	May 2001	Greece	Telecommunications	UNI & national union (OME-OTE)
<u>Skanska</u>	<u>Agreement</u>	February 2001	Sweden	Construction	IFBWW
<u>Statoil</u>	<u>Agreement</u>	July 1998, March 2001	Norway	Energy/Oil & Gas	ICEM & national union (NOPEF)
<u>Telefonica</u>	Social Protocol on International Agreements & <u>Agreement on code of conduct</u>	April 2000 & March 2001	Spain	Telecommunications	UNI & national union UGT
Volkswagen	Declaration of intent on common statement on social standards and cooperation	September 2001	Germany	Auto industry	IMF and global works council

¹² European Work Councils Bulletin, 28 July/august 2000, Fafo 2001 and the different agreements

¹³ See list of abbreviations enclosed.

The content and focus of global framework agreements

The structure of the global framework agreements differ, from a brief statement that recognises the basic trade union rights such as the freedom of association and the right to collective bargaining, and a varying degree of focus on international social charters of human rights, and training and development issues et.al. Common for all is the fact that they recognise the most appropriate trade union body either the local union, or the global union federation to be a party to the agreement and engage in a social dialogue with the multinational company. The agreements need to be real agreements implying that they are negotiated and signed by labour and the corporations jointly. Finally, the texts should include a provision for monitoring and further dialogue in order to qualify for the term "global agreements".

The global framework agreement reaches out to cover all employees of a multinational company in all countries and regions where the company has employees. All the global union federations highlight the importance of the agreements covering all the company's operations throughout the world.¹⁴ The parties are committed and management is initially responsible for making the agreement known and implemented in all subsidiaries of the enterprise worldwide.

The framework agreements have been negotiated with varying subject matters, detail and in methods of implementation and monitoring.¹⁵ Yet, they all comply with the ILO core conventions, and most importantly the freedom of association and the right to collective bargaining, which only apply in about 15 per cent of Codes of Conduct.¹⁶ Evaluating the contents of the agreements, the ILO Declaration of Fundamental Principles and Rights at Work constituting eight workers rights issues¹⁷ must be regarded as a minimum benchmark. Some of the framework agreements go however, further than the ILO core labour standards. In Statoils agreement with ICEM, the language is stronger than in the ILO standard by explicitly *welcoming* collective bargaining.¹⁸ Likewise, in ICEMs agreement with Norske

¹⁴ The IMF states explicitly that negotiations for agreements covering individual countries or regions could prejudice this principle (Letter to affiliates, 29 April 2002).

¹⁵ Some global trade union federations such as the IFBWW have developed a "Model Framework agreement" for their campaign towards the multinationals <http://www.ifbww.org/xsite/model.html>

¹⁶ ILO report (Private initiatives and labour standards: a global look, ILO, Geneva, October 1998.)

¹⁷ The ILO Tripartite Declaration on Fundamental Principles and Rights at Work was agreed at the ILO-conference the 18th of June 1998, and covers Conventions (87, 98) trade union rights – freedom of association and the right to collective bargaining, (29, 105) the abolition of forced and bonded labour, (100, 111) the elimination of discrimination in employment from race and gender reasons (100) and the elimination of child labour (138). Convention 182 was added at the 1999 conference.

¹⁸ Interview with Jim Catterson, ICEM June 2002

Skog, it is explicitly stated that employers "shall take a positive attitude to trade union activities, including organising" and actively promote organising and bargaining. And in IMF's agreement with Merloni, the employer is obliged to promote positive action to support the principles of trade union freedom and collective bargaining. Daimler Chrysler states specifically that while the elaboration of the right to organise and bargain collectively is subject to national statutory regulations and existing agreements, the freedom of association will be granted even where national law does not protect this right.

In addition to the ILO Core conventions, other important workers rights issues covered in many of the agreements are provisions on occupational health and safety, the payment of fair or decent wages or wages in line with relevant national laws, working time, and personal development and training. Occupational health and safety is covered in most of the texts. The various issues covered by the global agreements are listed in the table below.

Directives on reasonable pay are mentioned in most of the agreements. The Ballast Nedam agreement argues that wages must be "adequate", working time not unreasonable and working conditions decent. The Norske Skog agreement likewise state that wages for a standard working week shall at least be "sufficient to cover the basic needs of the worker and his or her family". Most agreements that refer to wage issues will refer to national legislation, minimum wages or industry standards. The Statoil agreement for example states a commitment to pay fair wages and benefits according to good industry standards in the country concerned.

Issues covered by global agreements on workers rights

Company	Freedom of association ILO convention 87	The right to bargain collectively ILO convention 98	Equality/non- discrimination. ILO conventions 100 & 111	Force/bonded labour. ILO conv. 29 & 105	Child labour. ILO conv. 138 & 182 ¹⁹	Health – safety and environment	Pay	Workingtime	Employment contracts	Information and consultation	Personal development and training	Agreement committing subcontractors and contractual partners
Accor	X	X										
Anglo Gold	X	X	X	X	X	X				X		
Ballast Nedam	X	X	X	X	X	X	X	X		X		X
Carrefour	X	X	X	X	X							X
Chiquita	X	X	X	X	X	X				X		X
DaimlerChrysler	X	X	X	X	X	X	X	X		X	X	-
Danone	X	X	X	X	X	X				X	X	
Endesa	X	X	X	X	X	X					X	
ENI	X	X	X	X	X	X				X		
Faber-Castell	X	X	X	X	X	X	X	X				
Fonterra	X	X	X	X	X	X				X		-
Freudenburg	X	X	X	X	X	X						
Hochtief	X	X	X	X	X	X	X	X				X
IKEA	X	X	X	X	X	X	X	X	X	X		X
Merloni	X	X	X	X	X					X		
Norske Skog	X	X	X	X	X	X	X	X		X	X	X
OTE	X	X	X	X	X	X	X	X			X	X
Skanska	X	X	X	X	X	X	X	X				X
Statoil	X	X	X	X	X	X	X					X
Telefonica	X	X	X	X	X	X	X	X			X	X
Volkswagen	X	X	X	X	X	X	X	X		X		-

In areas of working conditions, the framework agreements will give different focus and content to the various aspects of working conditions. The Norske Skog agreement states that employment shall, as a main rule, be based on permanent employment. Temporary and part-time employees should as a main rule receive the same relative terms and conditions as fulltime permanent employees. All employees shall have the opportunity to take part in relevant educational and training programmes. According to the Freudenberg agreement, every effort shall be made on the local and international level to achieve a consensus about the introduction of flexible, efficient and customer-oriented forms of work organisation. When implementing this, the needs of the employees shall be taken into account while respecting local diversity. While not specifically stating provisions for employment contracts, many agreements address the need to prioritise respect for regular employment (for example Skanska), or the need to establish decent employment and working conditions (Ballast Nedam). Likewise, while few agreements state the commitment of information sharing with employees at the local level, all the agreements will recognise the need for the unions to be informed internationally and where they bargain locally.

¹⁹ ILO-convention 182 about the most severe forms of child labour is not yet part of the issues covered in many of the older framework agreements.

The agreements differ in terms of the operations and business transactions to which they apply (EWCB 2002). Issues that commit contractors and subcontractors are covered in about one third of the agreements. The standards and principles in the Fonterra agreement for example only cover its own operations and employees²⁰, while the Ballast Nedam agreement explicitly states that it shares responsibility also for the conditions under which the employees of its contractual partners work. The new IKEA agreement differs from most other agreements in that it applies only to the company's suppliers and not to its own operations. The text sets forth that suppliers must comply with national legislation, respect the ILO core labour standards, not discriminate, provide a healthy and safe working environment, pay the legal minimum wage or the local industry standard, etc. When the Statoil agreement was renewed in 2001, it was extended to cover also suppliers and contractors. The parties in the ICEM- Norske Skog agreement also wish to promote labour rights in the company's supply chain and with customers. Both Volkswagen and Daimler Chrysler support and expressly encourage their suppliers to take the declarations into account in their own respective corporate policy. While the companies do not explicitly state that it will demand that suppliers to abide by the declarations, they state that it is "an advantageous basis for mutual relationships." From a legal perspective, the global framework agreements cannot commit subcontractors directly.²¹ However, when multinationals declare that it will be helpful for a good business climate between themselves and the subcontractors to obey the principles set in the agreement, the standards of the subcontractors will have some implications for their future contracts and business operations.

In terms of information and consultation, most framework agreements set mechanisms for consultation around the implementation and monitoring of the agreements, which we will return to below. In addition, several of the agreements have provisions for information sharing and consultation with the employees. In both the Fonterra and the Merloni agreements for example, management commits itself to share with union representatives the information about the company that is necessary in order for the unions to bargain at the

²⁰ The agreement does state however that "the firm will inform joint venture partners of Fonterra's obligations under this agreement" See http://www.iuf.org.uk/cgi-bin/dbman/db.cgi?db=default&uid=default&ID=271&view_records=1&www=1&en=1

²¹ Steiert et al (2002) highlight how the question of suppliers became a controversial issue in the negotiations between the IMF and Volkswagen. It was generally agreed that VW has a duty to enlist the support of its suppliers also, particularly the so-called system-suppliers, for observance of the principles enshrined in the Social Charter, and to suggest that they subscribe to similar agreements. There was also agreement that a supplier found guilty of gross infringement of core labour standards should be given an opportunity to put an end to the infringements. An initially controversial aspect related however, to the question of whether VW could be expected to impose sanctions, and if so of what kind. While it may not be possible in the short term to eliminate the offending supplier from the supply chain, new contracts may be signed in the future where observance of core labour standards is a condition for the validity and maintenance of the contracts.

national level where this is relevant, i.e. where collective bargaining actually takes place at the company level. The parties in fact have the relevant ILO Convention (135) included in the agreement.

The Global framework Agreements often go further and, above all, are more strongly worded than, for example, the OECD guidelines for multinational companies or even the Global Compact of the UN. It is true that these too make reference to the principles of the social charter but, when it comes to implementation and observance, the expression is much weaker. The talk is often of “should observe ...” or “will seek to ensure...” while the GFAs state the minimum conditions that the company will abide by (Steiert et al 2002)

Establishing global social dialogue

In addition to the value of the minimum standards set by the agreements, the agreements constitute not the least an important framework for further dialogue between management and trade unions at both the local level, and not the least at the international level.

The Danone agreement encourages management and trade unions to negotiate agreements and to publicise these among the workforce to the widest possible extent. The joint declaration on trade union rights sets basic minimum standards for trade union rights on the basis of the core ILO-conventions, but also a standard for social dialogue at the global level. The "agreement" is in reality composed by a set of agreements in separate areas following from the Common Viewpoint signed in 1988.²² The agreements are designed to complement existing arrangements and improve existing arrangements where these reflect standards below those set in the agreements. As such, the agreements establish minimum labour standards neither subsidiary can go below. The Information and Consultation Committee, which has been in operation since 1986 meet every year to discuss the latest developments and future plans for the company. Issues of common concern such as food safety, employment, working conditions etc are discussed. In regard of the joint texts on workers rights (the global framework agreement) there are no specific body to secure the implementation of the agreement, only a confirmation that the different aspects of the agreement must be monitored to ensure an effective implementation. The EWC is an important body to discuss and evaluate the situation on workers rights and the global agreement. Danone is nevertheless

²² Plan for Economic and Social Information, September 1989. Action Programme for the promotion of equality of men and women at the workplace, September 1989. Framework Agreement on Skills and Training. Joint Declaration on trade Union Rights, signed 1994. Joint Understanding in the event of changes in Business Activities Affecting employment or working conditions, May 1997.

encouraging management and trade unions to negotiate agreements and to publicise these agreements among the workforce to the widest possible extent.

Many of the other agreements pursue the same principles and goals of promoting social dialogue within the multinational companies. The Accor agreement for example constitutes a basis for ongoing discussions between corporate management on the one hand and the global union IUF and the EWC on the other hand concerning organising, labour rights and violations of the standards set in the agreement.²³ In the ICEM agreement on dialogue with Endesa, both parties consider it a matter of priority to work to draw up a code of conduct, which is consistent with the labour principles set out in the agreement. All UNI framework agreements set platforms and principles for dialogue in a similar way. The UNI agreement with Telefonica (UNI-Telefonica Code of Conduct) on labour rights et.al. followed a protocol signed in 2000 where both parties agreed to develop a code of conduct in order to take their negotiations and standards further.²⁴ In Volkswagen, the parties signed a social Charter first (in 2001) where the intention to negotiate a global framework agreement was stated. The Charter states that "Safeguarding the future of Volkswagen and its workforce will take place in a spirit of the cooperative settlement of conflicts and social commitment" The global framework agreement that followed (signed in June 2002) is applicable to the whole Volkswagen group, including Volkswagen, Audi, seat, Skoda, etc.

AngloGold and the ICEM record their mutual interest in the development and sustainability of the gold mining industry worldwide, and in good human resources and industrial relations practice. AngloGold and the ICEM agree to give practical effect to their common interest, and create an effective channel for ongoing dialogue in order to protect and advance their mutual interests, affirm the principles and values of internationally accepted labour relations and human resource practice, and establish a procedure for the resolution of disagreements that may arise from time to time.

A labour-management monitoring group monitors the application of the IKEA agreement. Faber-Castell has in co-operation with trade union officers from IG Metal/IFBWW established a committee to monitor the implementation of the global framework agreement. And at Statoil, a global structure of management and labour has been established for discussions and reviews of health and safety, workers' rights as well as the company's economic position and business etc. Like in many of the other multinationals described here, the co-operation develops in stages and step by step.

²³ See Wills 2001 and IUF Executive Committee 2000.

²⁴ Telefonica/UNI agreement /www.Telefonica.com.

Like the agreements mentioned above, the Fonterra agreement goes beyond the "standard code of conduct" provisions into specific industrial relations management matters, i.e. information and consultation over changes in business activities that affect employment (EWCB 2002). The accord provides that when management contemplates the introduction of major changes that are likely to result in job losses, it will as soon as possible provide the affected employees' union with relevant information.²⁵ Consultations should furthermore be carried out on measures to avoid or minimise the terminations and measures to mitigate the adverse effects of any terminations on the affected employees. Endesa and ICEM likewise agrees on the existence of common interests that can be summarised in the expediency of making the needs for growth and for the competitive and financial success of the Endesa Group compatible with dignified working conditions for all employees and that trade union dialogue, as well as any possible future agreements reached at ENDESA, need to be carried out in a spirit of dialogue and mutual understanding and reflect common interests. Hence, the framework agreements have become international agreements on employment and industrial relations policies and procedures.

Implementation and monitoring mechanisms

Giving effect to global commitments is a critical issue concerning both codes of conduct and the global framework agreements. It is obvious that the sustainability of a negotiated text depends on the ability and will to implement and monitor the agreement. The global framework agreements discuss how the parties can comply with the content of the agreement and the different implementation and monitoring mechanisms.

With the global framework agreements, the global trade union federations are often seen to be in a position to monitor the implementation of such agreements. Using their own networks of internal communication, and links to NGOs at the various sites of corporate activity, global unions may ensure that agreements are respected. Violations can then be used as leverage for campaigning issues in order to secure improved rights for workers along corporate chains.

While some unions initially requested independent monitoring, labours' views have changed substantially during the past few years. Professional private consultants and NGO's other than trade unions have not yet provided their services in the monitoring of global framework agreements, as is the case for many codes of conduct. Yet, even the term "monitoring" related to global framework agreements should be approached with caution. Monitoring reflects a

²⁵ The information should include also the reasons for the changes considered, the number and categories of employees likely to be affected and the period of which the terminations of employment are intended to be carried out (EWCB 2002).

regular and ongoing activity (Justice 2001). Where unions are recognised and bargain, they may take on this responsibility, while in multinationals at the global level, no such relationship is yet established. Furthermore and more importantly, multinationals may have subsidiaries or daughter companies in countries where workers are not organised or bargaining and regular monitoring at the national hence become difficult with lack of information for the global unions.

The IMF states that the basic principle in respect of monitoring and suppliers²⁶ is that the company itself has responsibility for ensuring respect of the Code, and that unions have the right to raise alleged violations of the Code with a labor-management monitoring group. This group should have the authority to receive complaints of Code violations, to investigate them, to recommend ways of correcting any violations that are found. Complaints could concern either the MNC's operations or its suppliers. MNCs often resist covering suppliers with the Code by asserting that they cannot certify "good behavior" for thousands of suppliers. The IMF Model Code does not require such certification, it requires only the monitoring described above. MNCs may also question the need for access to information and plants. This Code provision is to allow the labor-management monitoring group to investigate complaints. The Code provisions are not intended to require widespread checking of conditions in company facilities to ensure that the Code is respected.

There are relatively weak *formal* mechanisms for implementation and monitoring in many of the global framework agreements. To a large extent, monitoring will have to rely on the actual well intentions of the parties, the relationship between local and corporate management, and the intentions of corporate management vis-à-vis their suppliers etc. Categorising the different monitoring mechanisms there are basically three approaches: The first approach is where management ensures compliance with the agreed text and trade unions have the mandate to report violations of the agreement to the responsible management authorities. The second, and more frequent approach in the global framework agreements is where management and trade union representatives form a monitoring group responsible for implementing and monitoring the agreement. The joint group is responsible to deal with disputes and violation of the agreement before it ends up in a conflict. A third, but more rare, approach, is where the making of reports containing evaluations of the experiences and the compliance with the issues of the agreement is presented and discussed in the annual EWC meeting.

²⁶ *Key Points about Corporate Codes of Conduct*. IMF Information to affiliates April 2002.

In general, there is limited consensus on the type of system necessary to ensure effectiveness when it comes to codes of conduct or global framework agreements. Debates within the ILO demonstrate that employers are often opposed to any involvement by "outsiders" in implementing and monitoring codes of conduct (ILO 2001). NGOs and trade unions often respond with calls for the independent monitoring, although definitions of what constitutes "independent" may differ. The ICFTU notes that "trade unions need not assume direct responsibility for conducting independent monitoring of a company's codes of labour practice, but appropriate trade union organisations must be involved at the decision-making level where systems of independent monitoring are established and accredited".²⁷ Trade union organisations should, together with business and other organisations, always jointly control any foundations, institutions or agencies established for the purpose of conducting independent monitoring or verification of codes. Hence, although the trade unions do not believe it necessary to take on the role of monitoring themselves, they do believe that they should play a role in selecting the independent monitors.

There are different opinions about the importance of sharing the responsibility of implementation and monitoring between the trade union party and the multinational. On the one hand, labour gets the advantage of direct involvement in the controlling procedures and the ability to get to terms with a potential dispute about compliance to the agreement. Furthermore, it establishes a framework for further dialogue, conflict-solving and possible follow-up agreements on other issues, as demonstrated in the Danone case. On the other hand, such responsibilities require scarce resources and carry the danger of drawing limited resources away from other important tasks. Further, the multinational might speculate in a friendlier attitude from the trade unions when trade unionists share responsibility to implement and monitor the agreement. And finally, there may be principle problems for labour in involving itself in monitoring of global agreements where subsidiaries or daughter companies contain for example an unorganised workforce.

In practice, the global framework agreements pursue different approaches in terms of monitoring within the alternatives presented above. Most of them do however establish a transnational body that meets up at specified intervals to discuss observance with the agreement. These differ from the bodies formed under the European Works Council Directive, since the directive does not specify the introduction of codes of conduct into the works council, nor does it require the involvement of workers' organisations outside the EU. Most of the framework agreements examined in this study are unrelated to European works

²⁷ ICFTU: *Labour and business in the global market: ICFTU-ITS recommendations and guidelines concerning company and industry codes of labour practice, their implementation and monitoring* (Brussels, 1997), p. 28-29.

councils. They also differ from accreditation/certification systems in that they do not focus on monitoring procedures or internalisation processes. Instead, they often use trade union networks to report cases of non-observance and discuss these matters with the company, usually at one of the regular meetings, with the aim of winning head-office support in resolving the matter with a supplier or subsidiary.

Cases where management have involved trade unions other than from the multinational company it self, such as global unions or trade union representatives from a national affiliate, are Telefónica, IKEA, Statoil, Freudenburg, Chiquita and Skanska. We have outlined the main principles of the reviewing and monitoring mechanisms in the existing global framework agreements in appendix one.

However, in spite of dangers and weaknesses, the agreements may be important in allowing global unions to act on any identified violations of labour rights in the workplace. The agreement between Statoil, ICEM and the Norwegian Oil and Petrochemical Workers' Union (NOPEF), which was signed in 1998 allowed for example labour to intervene in a long-standing industrial dispute at the American Crown Central Petroleum refinery in Texas, US (Wills 2001).²⁸ With international pressure and involvement of the Statoil corporate headquarter, the dispute was finally resolved in 2001. Moreover, the agreement with Statoil has allowed ICEM to get a more practical handle on union organising across the group. The global agreement grants ICEM the right to support union organisation on the ground and they have been able to help train shop stewards in Azerbaijan where the company has a joint venture and to assist union organising activity in the Baltic and Polish service stations owned by Statoil (see European Works Councils Bulletin, 2001b).

There is limited experience with disputes regarding compliance with the understanding of the different framework agreements yet. Furthermore, it is hard to conceptualise the agreements having legal bearing as well in any court of law at the national level, while no international institution exists, which might be able to interpret and judge on such international labour issues. However, while disputes and conflict solving may turn out to be a fragile area for global industrial relations inside the MNCs with global framework agreements, the agreements give labour an opening to use international pressure to help solve local organising and disputes. And finally, while monitoring and labour rights are important components of the global framework agreements, the establishment of a framework for further dialogue

²⁸ The refinery serves Statoil with raw oil on a long-term contract and the company locked out 256 workers after wage negotiations broke down in 1996 (see Wills 2001). After using temporary labour to refine the oil for 5 years, the IFA allowed NOPEF representatives to go through the Statoil office in New York and arrange meetings with local trade unionists and managers in Texas.

defines the key characteristic and value of these agreements. As such, the agreements both aim at and reflect an intention of further dialogue and it is in this that the real value of global framework agreements lies.

Relationship to collective bargaining

Many unions have been worried about international agreements undermining sectoral or local collective bargaining. However, the global framework agreements are not intended to replace, or diminish the importance of, local collective bargaining. Most of the agreements also state specifically that any problems should be dealt with at "the lowest possible level".

Hence, while issues such as health and safety, training etc. may still be best dealt with in national collective bargaining agreements, provisions agreed at international level could facilitate the recognition of freedom of association, collective bargaining and other fundamental labour rights by MNCs at the local level.

The framework agreements do not seek to substitute in any way for local or national collective bargaining. Where local and national trade unions have well-developed agreements and industrial relations with the multinationals, the global agreement functions as a supplement and an additional level of dialogue to the industrial relation practices at the local level. Local and national organising and bargaining continue to be the essential building blocks of affiliate's strengths and thus the building blocks of the ITS strength and legitimacy. And more importantly, without active local trade unions the agreements make no difference to the exercise of trade union rights. IUF hence sees its role as in essence being about organising and bargaining for "space", i.e. bargaining aimed at protecting and enlarging the space in which IUF affiliates organise and bargain. Once space for local trade unionism is secured through the global agreements, the IUF rely on "active and energetic and militant local organising to fill that space" (Ron Oswald, IUF, quoted in Wills 2001).

ICEM for example in fact sees global framework agreements as a way of enhancing and supporting local bargaining. The Fonterra agreement hence states that every effort should be made to solve problems and conflicts at the local level. The review committee at Fonterra hence has as a general review function as well as the task to deal with conflicts and differences that cannot be resolved satisfactory at the local level. Likewise, both parties regard the ICEM agreement with Statoil as a global agreement for local improvement. Considerations of legitimacy and efficiency require that employee concerns should be handled by those closest to the issues. While the agreement is company wide, the implementation of it is related to specific business units and countries. Through the ICEM agreement, Statoil

hopes to improve labour relations at the local level without interfering with established local practices (Statoil 2001).

Concluding remarks

The global framework agreement is a new approach that commits and puts obligations on the MNC's. The contents of the agreements must be seen as a tool to help national and local trade unions enter into dialogue with multinational corporations. In this respect, it establishes a minimum of dialogue and standards.

The most striking approach, which is taken by the global framework agreement, is the means by which trade unions are encouraged to negotiate further within the framework set by the agreement. The platform on which freedom of association and the right to collective bargaining is built, gives local trade unions at the workplace a new arena and space to unfold in further negotiations about labour rights, bargaining and organising. In that sense, they open up new possibilities for the strengthening of a sophisticated multi-level and -dimensional response to the challenges posed by the multinationals (Wills 2001). The agreements create in other words a framework for new possibilities.

In negotiating the global framework agreement, the local trade unions are usually represented by either their national union and/or their global trade union federations. Cross border agreements require responsible parties that are able to represent interests in many countries and regions. National trade unions will however only be responsible, and can only represent its members, within its national borders. For these reasons the global unions have in many cases taken the lead in negotiating and representing trade union interests on the international arena. Yet, the new concept of global framework agreements does open up for new challenges and needs for clarification concerning mandates for negotiations vis-à-vis the multinationals. At point of departure, the responsibility for organising and negotiations lies with the national unions in most sectors. While some global trade union federations have also achieved the right to negotiate with the multinationals directly, in most cases the approach towards the multinationals are usually done as a joint exercise by the global union federations and the national union together. While the global unions have signed all the agreements, several are also co-signed by national unions. Some of the MNC's had their European Works Councils (EWC) involved in negotiating the framework agreements and the following monitoring of the agreements. Yet, more than anything, the agreements put in place a need for close co-operation between the global trade union federation and the national union at the corporate headquarter.

The framework agreements serve as statements of good intent, but also give labour a role in establishing the terms of good labour relations, in monitoring developments on the ground and opens up new possibilities for further dialogue with corporate management. On this basis, the global framework agreements may also act as a support to union organising efforts in different parts of the world. Furthermore, union federations can help ensure that workers' rights are respected, and if necessary, build or reinforce networks and alliances to force the company to respect its agreements. The agreements may also be important in allowing global trade union federations to get a better understanding of the international operations of a particular company, and hence be a springboard for developing their own strategies further.

The global trade union federations often enter into these framework agreements not only to achieve a certain minimum standards and dialogue with the multinationals, but also to ensure that all the affiliates share a common starting point. The platform of freedom of association and the right to collective bargaining that the framework agreements are built on, gives local trade unions at the workplace a new arena and space to unfold in further negotiations about workers rights.

For the IUF, the motivation for framework agreements in various multinationals has differed. Unlike in Danone, there was clear evidence in the hotel chain Accor that there were major problems on the ground with lack of respect for basic labour rights. The agreement with Accor has hence proved critical in supporting union organising campaigns at Accor in the USA, Indonesia and Canada.²⁹ It has also allowed the IUF close involvement in trade union organisation in Australia, in educational activities in Africa and Asia-pacific and in efforts to start organising work in the UK and New Zealand (Wills 2001, EWCB 2002). In developments in North America, Australia, New Zealand and the UK, the Accor agreement has allowed the IUF to get involved in local trade unionism, and where necessary, to intervene directly. In New York, the Hotel and Motel Trades Council had a written, but not legally binding, neutrality agreement with the management at the Novotel hotel outlining procedures for union organising. After several years, the local management's hostility to union organising and recognition was finally resolved after the issue was raised by labour in an Accor EWC meeting in Geneva during 1997. In this case, labour was able to convince the European corporate management that the North American strategy was destructive both to employees and to the company. A dispute that stretched back to the mid-1980s was thus successfully resolved with the intervention of the IUF and senior management. Similar cases are found in Canada and elsewhere (Wills 2001).

²⁹ See Wills (2001) for more information on the background and importance of the Accor agreement

The global framework agreements seem to have helped labour open doors for union organising at the national and local level. Furthermore, they give a new basis for international campaigns, actions and solidarity across global operations. The agreement gives labour an ability to go around the local managers. Global framework agreements seem a robust way of enforcing corporate responsibility in the global economy. Most codes of conduct endorse the right of workers to join unions, but in practise, the code does nothing to actively support unionisation. If violations are identified they can be used in corporate campaigns, but the trade unions have to act from the outside to defend and extend workers' rights (Wills 2001). In contrast, the global framework agreements give trade unions the power to monitor corporate behaviour, act upon any violation of workers' rights *during* campaigns and give a basis for entering into direct negotiations and consultations with management to solve the problems. As such, global framework agreements are a more powerful way to reinforce international labour solidarity alongside processes of globalisation.

A global labour strategy?



The multinationals described above will have the global market in common. Otherwise, there are few similarities between them. They differ in size and strategies, in their industrial relations practices as well as in their approach to labour. Core labour standards have however been on the agenda for national unions and international labour organisations alike for decades.

In spite of legal, bargaining traditions, language, and religious differences as well as cultural differences and barriers, the international trade union movement undertook its first serious attempt to build a countervailing force against the power of multinationals already in the 50s.³⁰ However, while the International Metal Workers Federation (IMF) and other International Trade Secretariats³¹ managed to get some way in the establishment of world company council (WCC)³², the enthusiasm by the global unions at this stage was soon to be dampened. The main problem was to establish sustainable routines and resources to follow

³⁰ See Levinson 1972, Gumbrell-McCormick 2000

³¹ The international industry union federations were named International Trade Secretariats (ITSS) until 2001, after which they prefer to be known as the Global Trade Union Federations.

³² The first one being at Ford and General Electric in 1966

action.³³ And while the auto industry with its relatively homogenous companies, common production technologies, and a strong unionised workforce was well suited for cross-border trade union strategies, unions in other sectors experienced more problems. Nevertheless, while few of the councils stood the test of time, the efforts presented serious efforts to articulate common strategies and served as important learning ground for the time to come. And in spite of massive barriers to international solidarity, new industrial relations systems and global framework agreements are emerging in some multinationals. By the beginning of the new millennium, some world councils have resurfaced, union networks are spreading in many multinationals and where labour has sufficient strength, resources and alliances, they have negotiated agreements that go well beyond scope of codes of conduct. While limited inroads for labour standards are made in regulatory international institutions such as the WTO, framework agreements are set in the private sector although still few and far apart.

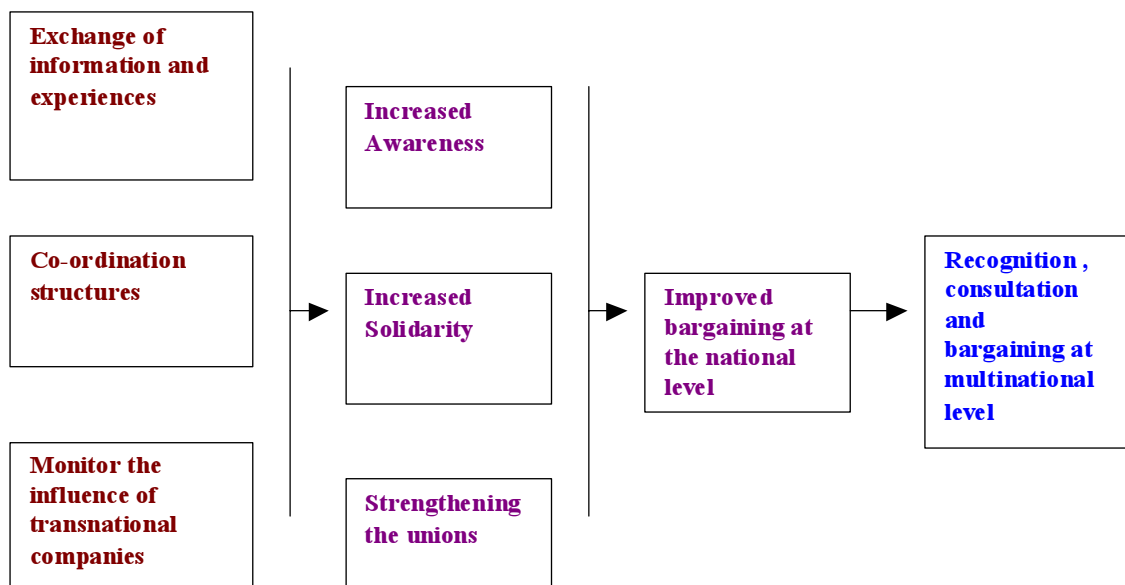
While the ICFTU represents trade union interests concerning multinationals towards international institutions such as the ILO, UNCTAD et al., the main responsibility within the international labour movement for activities concerning multinational companies rests with the global trade union federations. Most of these global unions have launched campaigns to sign up more multinationals to promote core labour standards.

With work undergoing radical transformation and employers being more vulnerable to pressure today than a decade back, new labour tools and action forms emerge in the international struggle. While the growing importance of MNCs internationally has brought new challenges and problems to labour, the international economic developments and general restructuring of global production serve in some ways as a constructive point of departure for global union strategies. New production systems with the splitting up of production in smaller units in various countries together with "just in time" delivery principles, and less storage capacity altogether make employers more vulnerable to trade union collective actions. Furthermore, a number of common factors prompt MNC management generally to seek the decentralisation of collective bargaining at the national level, which in turn may facilitate cross-national bargaining systems (Marginson & Sisson 2001). Consumer pressure and the increasing importance of image building have also made certain groups of MNCs more vulnerable. And finally, the growing capital power of labour through pension funds et.al. has created new tools of power through investments and the active ownership.

³³ Rebecca Gumbrell-McCormick (2000) substantial documentation of the ICFTU and the global trade union federations' involvement in building strategies towards multinational companies has influenced the following paragraph heavily.

In the past, the strength of unions depended to a large extent on their capacity to mobilise workers at the company level. In this respect, the struggle continues. International trade unionism will depend to some extent on the capacity to mobilise and workers at the company level, but now across country borders. International trade unionism is on that basis taking on a multitude of new forms. The global trade union federations expect improved information, networking and union co-ordination to be followed by higher awareness, increased solidarity and stronger unions which in turn would lead to increased and improved bargaining at the national level inside the multinational companies. On this basis, global recognition and negotiations is expected to follow.

International labour strategies



Bargaining at European, or global levels, may take completely different forms from the agreements, which have come to be associated with national collective bargaining and industrial relations systems. Cross-national bargaining may take the form more of joint opinions, or global framework agreement, which would, or might, be followed up by more substantial bargaining at lower levels in the enterprise. The main point from labour's side would be to assure that certain basic minimum labour rights are secured throughout the global enterprise in order for local, national, and/or regional bargaining to improve these further.

The ambition of the following section is to briefly discuss various factors that may explain the success in gaining global recognition and possibly global agreements. We do not aim, or even hope, to give an exhaustive overview of potential labour strategies or to draw up *the* most

efficient way to go forward. Success is probably best achieved by not one factor alone, but by a combination of strategies implemented in a range of arenas. Our aim in the following is mainly to summarise some of the strategies pursued by international labour, and on that basis contribute to the discussion about possible factors to address as well as the criteria for their success in the struggle for global labour rights. What factors may explain the success in some MNCs while labour in other multinationals is still battling prolonged struggles for recognition?

The resources of the global unions

The role of the global unions has changed dramatically over the past years. As capital becomes more global and mobile, the global trade unions have taken on an increasingly important role of supporting the national affiliates by making available information relevant to negotiations and by mobilising supportive efforts by other unions. While many of the global unions primarily play a supportive role to their national affiliates, the proliferation of MNCs together with the accelerating developments within the European Union have opened up wider prospects (Windmuller 2000). Because of the large number of MNCs in their sectors, the IUF, IFBWW, IMF, UNI, ICEM as well as the ITGLWF are likely to be amongst the most active in their approaches to global bargaining and agreements. The PSI has been less exposed to some of the problems associated with multinational companies until now due to having most of their members within public sector employment. Yet, with privatisation of services and public sector infrastructure projects, and especially linked to the negotiations around GATS in the WTO, even this is changing rapidly.

The initiatives for global recognition, networks and agreements have come from different sources, with the national union being important in sparking off the IMFs approach towards World Councils in the 50s (United Automobile Workers) while the global union's secretariats took similar initiatives in the former Chemical Workers (now ICEM) (Windmuller 2000). The global trade union federations will still to a large extent have to rely on alliances with national unions in their global work. However, while the national unions still have the sole responsibility for organising³⁴ and the prime responsibility for collective bargaining within the multinationals, the European federations of labour and the global unions take on an

³⁴ The International Transport federation (ITF) is the only global union with the right to organise members directly, implying that workers have both indirect and direct membership within the international (Wahl undated).

increasingly stronger role in the front line when it comes to campaigns and negotiations where they previously primarily played a role on the back bench.³⁵

While national unions are struggling with declining membership, most global unions have been successful in attracting new members from the end of the 70s to the mid 90s (Windmuller 2000). However, they depend almost totally on the contributions from their national affiliate unions, mostly in the form of fees determined on the basis of their membership³⁶. International campaigns require substantial amounts of money, leaving many global unions to save money in campaign funds for years before having sufficient funds to mobilise. The predominance of membership funding as a basis for the global unions assures ownership and participation. Funds acquired through collective agreement “fees” such as that resulting from the agreement between the ITF and ships sailing under the Flag of Convenience, may seem unobtainable to most other global union federations, while variants thereof might still be worth exploring.³⁷ Likewise, increasing access to investment and pension funds may provide bases for increased political power also in other spheres. And alliances with NGOs and other pressure groups may facilitate co-ordination and joint funds in campaign areas. In the long term, however, international institutions such as the ILO should also facilitate the setting up of institutions in position to arbitrate, mediate, interpret and settle conflicts when it comes to the violation of labour standards in multinational companies and hence not leave it up to the labour movement to set violations of labour standards on the agenda and carry them forward through their own campaign resources.

Sector specifics

The development of integrated international markets and industrial relations systems are likely to follow sector characteristics. Developments associated with flexible specialisation, global commodity chains and foreign direct investments affect some sectors and countries more than others (Utting 2000). The development of an international labour market is more likely where production arrangement or service provision are integrated and management is

³⁵ The strength of regional, European and international confederations will differ by sector as well as internal characteristics. However, the tendency of “super-national” bodies gaining relatively more power in the union work seems universal across sectors.

³⁶ Some obtain additional income through grants from public agencies, private foundations and affiliate contributions to projects. Some people have argued that such fund-raising should become more important.

³⁷ Ship owners that agree to the minimum standards put in place by the ITF will have the right to a “blue card” issued by the federation. In return the companies will amongst others have to pay a collective agreement “fee” for welfare purposes of the workers (Wahl, undated). This puts the ITF in a unique position in the international labour movement and has assured resources to cover both inspectors and campaign funds.

vulnerable to disruption (Marginson & Sisson 2001).

Several academics have highlighted the development of different systems of control, management and industrial relations in MNCs depending on sector specifics (Ferner 2000). Others pinpoint the importance of a historical trend where the hierarchically ordered MNCs with a single identifiable centre of power and authority is becoming outdated and looser, more network-based international operations associated with less formal forms of control take over (ibid). However, we also see a trend towards MNC focussing increasingly on their core

operations and selling out, or outsourcing, marginal activities, such as in the food sector as described above, but also in other sectors. Where multinationals compete on price, this trend seems particularly valid. And brand companies, in this group, may

DaimlerChrysler purchase almost all of its parts from suppliers, Hewlett-Packard relies on ten different contractors and IBM on eight to make their products (Anderson & Cavanagh 2001). In recent years, Japanese electronic firms, including Mitsubishi, NEC, Fujitsu and Sony have also begun to outsource, while US corporations have been at the forefront of the trend (ibid).

have particularly little interest or need in control or ownership of the total value chain. Where multinationals compete in the market on the basis of competence, skills and knowledge, they seem on the other hand still to want control over the whole value chain.

Multinationals providing a single product or service, such as motor manufacturers, are generally perceived to co-ordinate production through a single international management structure (Edwards et al. 1999). Motor manufacturing may hence for good reasons have been the first sector of multinationals where world company councils and negotiations at the global level developed in response to a single international management system. Those on the other hand, who provide a *range* of products or services are displacing national subsidiaries by international product *division* as the primary axis of internal organisation. Global framework agreements and negotiations in these companies may in consequence also be more difficult to obtain.

If the market is truly internationalised, the possibility of running just one or a few large-scale operations will be better and the location will in these cases be determined by labour and unit-cost factors (Ramsay 2000). If on the other hand, there is great variation in local demand and/or in effective access to markets, the greater will be the need for fragmented and localised provision of the product or service. The company's ability to supply from a single source will be limited by the nature of its market. More skilful adaptable, and co-operative labour will tend to be important where a differentiated product, or the quality of and image of product or service, is the chief asset for a firm (Ramsay 2000). In these companies, management may in consequence also be more vulnerable and labour pressure easier.

Sector specifics may also occur as a result of intra-enterprise trade. Further subsidiaries are

increasingly dependent on other parts of the firm as intra-enterprise trade grows. One consequence of greater internal integration is that headquarters are likely to seek greater control over employment practices in subsidiaries (Edwards et al 1999).

Sector specifics seem to explain some of the differences in the achievement of global recognition, with the ICEM, IFBWW and IUF having achieved most global agreements, but with UNI and IMF doomed to catch up quickly. Sector specifics, may be explained by several factors, such as the organisation of production in the sector, exposure to international competition, "global" employment or proportion

Global Unions – some key figures (ICFTU 2000)

International Trade Secretariat	Trade union members in millions	Affiliated unions	Countries	Global Framework Agreement
IMF	23	193	101	3
ICEM	20	390	107	6
UNI	15,5	800	140	3
IUF	10	326	118	4
IFBWW	11	285	124	5
PSI	20	500	140	
ITF	5			

of employment outside Europe, and/or the strength of the global unions. Yet, the ICEM sector covers very different industries with both oil, gold, paper, rubber and energy. In a historic first for the global mining industry and for Africa, the world's leading gold producer, AngloGold and ICEM signed an agreement on the promotion and implementation of good human and industrial relations in September 2002. Also the IFBWW "sector" in this respect covers very different industries of furniture, construction/building, and stationary. The furniture business, or definitely IKEA, is as demonstrated, vulnerable to consumer pressure in the Scandinavian market and hence bent to public, and labour pressure, relatively easily. The success also in the furniture and stationary sectors may also reflect however, the investments and strategies put aside by the IFBWW in particular. Sector specifics may furthermore be due to the relative size of their European workforce in the MNCs, and the strength of the national union. The European unions have generally come further in the development of political, institutional and economic capacity than their sister organisations outside Europe. UNI and UNI unions are hence involved in about one third of the existing European Works Councils, making the European dimension more important and feasible also in their global work.

The proportion of employment outside home country (World Investment report 2000) will differ greatly amongst the largest multinational companies. Food and beverages top the list with the highest foreign dimension of employment, while trading is at the bottom with 25 per cent. The foreign dimension of the industry³⁸ could contribute to explaining the strategies and

³⁸ One should however keep in mind that the transnationality index measures the "foreign dimension" on the basis of foreign assets, sales and employment. Each of these factors may have different impact on both the employers and the unions need and strategies towards global recognition.

relative success of the IUF in reaching global agreements, but would hardly be a sufficient factor. In the services sector, the foreign dimension of the largest multinationals is relatively low in for example telecommunications. For the IMF in contrast, the top five motor vehicle companies remained amongst the most transnationalised, while only one global agreements has been reached by mid 2002.

The concentration on core business and increasing product concentration may facilitate global agreements. Likewise with companies operating in sectors where there are particular concerns about the social and environmental aspects of production or where market exposure and brand name will be sensitive issues. Yet, while brand names may make it easier for unions to pressurise companies for bad labour standards, companies with consumer brand names often also opt for organisational forms that outweigh these possible advantages to labour. Brand names may make it less important for companies to own the whole “value chain” and invest in their contractors, etc. Hence brand names such as CocaCola and McDonalds set up franchise operations in an effort amongst others to avoid their responsibility for labour relations throughout the world. While conglomerates and business strategies aiming to maintain control over the whole value chain seems to have gone off fashion, the tendency to concentrate on core business, also reinforces an international division of tasks and national specialisation which in turn may complicate the campaigns towards international solidarity, recognition and global agreements.

While most Codes of conduct are found in heavy industry (17% of CoC), light industry (20%), technology (17%) and services (27%)³⁹; global framework agreements are found fairly evenly distributed in industry, services and building sectors. More surprisingly, a sector that has become truly internationalised over the past decades, namely the textiles and clothing sector can demonstrate no global framework agreements at all. More than sector specifics as such alone, unions need to carefully address a combination of sector specifics such as company organisation, degree of concentration on core business, attitudes of management etc. as well as resources and strategies of the global union federations in order to pursue campaigns for global framework agreements.

National differences

Considerable evidence suggests that MNCs of different national origins behave in significantly different ways, specifically in respect of the cross-national management of

³⁹ OECD 1999: *Codes of Corporate Conduct: an inventory*. Working Party of the Trade Committee. OECD, TD/TCWP (98)74/Final www.oecd.org/ed/act/codes.Pdf

personnel and industrial relations issues (Ferner 1997). MNCs from economically successful countries have an incentive to export to their foreign subsidiaries those practices, which are seen to contribute to their own home-based success. National business systems, legislation, culture, as well as experiences with national collective bargaining and industrial relations systems are likely to influence the way in which MNCs manage their human resources and industrial relations also internationally.

Ferner (2000) argues for example that US MNCs will rely to a larger extent on formal systems of power and control and much less on the personal control mechanisms of social control mechanisms to be found in German, British and Japanese MNCs. This being the case, it may be argued that global recognition is also easier to obtain in the European MNCs provided there develops a personal relationship based on trust between the management and the union representative. Furthermore, industrial relations systems are in Ferners view (2000) to a large extent embedded in their parent-country business culture. Even in a highly regulated context such as Spain, companies were able to create sufficient flexibility to preserve elements of a German style in their view.

Except for one (Chiquita), and more recently AngloGold, all the global agreements are in fact, achieved in European MNCs, from countries with relatively well established industrial relations practices. French multinationals lead the race with five global framework agreements. In the table below the multinationals with global framework agreements or similar systems are listed with employment, as well as some indication of employment outside own home country.⁴⁰

⁴⁰ As far as employment figures have been available, we have attempted to give some indication of employment outside home country. These figures are however hard to find and we refer to the individual companies for more information.

MNC by total employment and home country⁴¹

Company	Home country	Employment (2000) ⁴²	Employment outside home country
Accor	France	147 000	64 000 outside Europe
Anglo Gold	South Africa	64 900	Mining operations in Australia, Argentina, Brazil, Mali, Namibia, Tanzania, USA, Zimbabwe and South Africa.
Ballast Nedam	Netherlands	7 800	
Carefour	France	383 000	Present in 30 countries including the Americas and Asia
Chiquita	USA	26 000	Latin American employment
DaimlerChrysler	Germany	372 500	
Danone	France	100 000	About 25 percent in Asia and Oceania (1999) while limited employment also on other continents.
Endesa	Spain	13 600	15 000 in Spain, 13 000 outside home country
ENI	Italy	70 000	Workforce covers 67 countries, 40 000 employed in Italy, 30 000 abroad
Faber-Castell	Germany	6 000	In 14 production and 18 sales companies
Fonterra	New Zealand	20 000	
Freudenburg	Germany	27 500	9 200 in Germany, 30 000 in more than 40 countries.
Hochtief	Germany	37 000	Approx. 11 000 in Germany
IKEA	Sweden	70 000	8 400
Merloni	Italy	20 000	
Norske Skog	Norway	11 000	5 820 in Europe, including 2950 in Norway
OTE	Greece	18 500	
Skanska	Sweden	79 000	-
Statoil	Norway	16 000	Operates in 23 countries worldwide
Telefonica	Spain	161 500
Volkswagen	Germany	325 000	Around half employed in Germany, about 70 000 elsewhere in Europe and most of the remainder in Brazil, Mexico, China, South Africa and Argentina
Total		Approx 2 million workers covered by GFAs ⁴³	

Can the emergence of global framework agreements be explained by the global orientation of the MNCs, i.e. that these are companies with substantial operations (and/or suppliers) in developing countries (i.e. Ikea)? Some of the MNCs are truly global, operating in more than 120 countries, such as Accor and Danone. Yet, many of the other multinationals operate first and foremost within the northern hemisphere.

The table above may in itself rather support a thesis that national characteristics, or strong home-country unions with historical global orientations, will make global agreements easier to achieve for them and their global trade union federations. These unions are furthermore part and parcel of relatively strong industrial relations' systems at home, making employers in these companies potentially more positive to exporting their own home-practices. In the case of Faber-Castel, the IFBWW relied on the strength of their national member union in

⁴¹ Reference to company web sides and cross checked against Steiert, R. (IMF) & Hellmann, M. (IFBWW) 2002 for total employment figures. Figures do not include franchising, sub-contracting companies etc.

⁴² Employment figures 2001 for Skanska. In Carrefour the figures account for employees taking part in the Group shareholding plan. ENI figures 2002.

⁴³ Be aware that some of the GFAs cover also subcontractors, implying that the number of workers covered by agreements is higher than the list estimates.

campaigning and negotiating the global agreement. Similar experiences are found in many other global unions. If the union of the national headquarter is strong and internationally oriented, global framework agreements are easier to campaign for and find support for.

Union networks as stepping stones for global strategies?

The global trade union federations all focus on developing trade union networks of some kind as the main approach to global recognition and the development of global framework agreements. A brief survey of networks or groupings of trade union representatives that meet on a regular basis lists continuous campaigns in some 40-50 multinational companies. These activities develop links between trade unions and union representatives in various countries over a period of time. The networks are trade union constructions though some involve management. Of the global networks so far accounted for, a large number operate in multinationals based in the USA, Japan, Australia and Canada. Acknowledging that all but one⁴⁴ of the global framework agreements commits European multinationals, it is interesting to note that the non-European networks are operative and seemingly growing.

In sector terms, metalworking multinationals dominated the list of networks in 2000 making up about 40 percent of the total (19 networks in multinationals), followed at some distance by transport (6), utilities (5) and telecommunications and food (4 each) (EWCB 2000). Accordingly, it is the IMF that is most heavily involved, followed by ITF, ICEM, UNI and PSL.⁴⁵ The picture seems to still be valid two years after. Most of these networks have emerged from the late 90s, with the main areas of growth being the transport, communications, utilities and chemicals sectors (EWCB 2000). The following table portrays the networks in place by 2002 based on the ITS websides and information. The networks are usually supported by the secretariat of the global trade union federations through contact lists, regular news, and websides with company information.

⁴⁴ Chiquita signed up with a global framework agreement with IUF in June 2001.

⁴⁵ The picture may have changed somewhat since 2000. UNI is for example reported to have 6 networks, while reporting 8 active networks by the time of going into Congress in September 2001.

International Trade Union Councils and networks⁴⁶

ICEM		Networks: Rio Tinto; Goodyear; Bridgestone; Novartis ⁴⁷ ; International Paper; Endesa; BASF Pace, USA; FIA-UGT/FM-CCOO, Spain; IGBCE, Germany in the process of being set up (2002)
UNI ICEM	&	Networks: Huhtamaki, Finland; Jefferson Smurfit, Ireland; Quebecor, Canada; Svenska Cellulosa, Sweden
UNI		Networks: Vodafone, USA; <i>Singtel, Singapore</i> ; Telstra, Austria, SBC, USA; Atlantic, USA; cable & Wireless, UK; Telefonica, Spain; OTE, Greece; France Telekom; Quebecor Group, Canada; Company councils: National Australia Group, Australia
IMF		Networks: Fiat-Auto-Iveco; General Motors; Ford; Volkswagen, Germany; Volvo; Fiat; Toyota; Nissan; General Electric; ABB; Matsushita; Siemens; Electrolux; Thomson Multimedia, Magna World Company Councils: Aesa Brown Bowery, Caterpillar, Electrolux, FIAT, Ford, General Electric, General Motors, Honda, Matsushita, Mazda, Mitsubishi, Volkswagen
ITGLWF		Global networks: Daun, Germany Global meetings: Coats Thread, UK; Pou Chen, Taiwan
PSI		Networks: Vivendi, France; AES, USA; EDF-GDF, France, Enron, USA
IUF		Networks: Nestle, Germany; Danone, France
IUF & ITF		Networks: LSG Skychefs, Germany; Gate Gourmet, Switzerland
ITF		Networks: Alpha Alliance (Delta, Swissair, TAP, Austrian Airlines, Yurkish Airlines, Sabena, AOM, AeroMexico, Crossair, Lauda)

UNI is for example operating a number of Union Alliances of affiliates, as their prime structure in respect of multinationals.⁴⁸ The purpose of these alliances is to co-ordinate the activities of affiliates and to utilise the expertise and experience gained by one affiliate to enhance the activities of another (UNI 2001). The Alliances organise international meetings to share information and experiences and to meet company management; develop and sign International Operating Principles/Protocol/code of conduct, conduct global meetings with company management, co-ordinate solidarity actions, publish company newsletters, develop information data bases on multinationals' business activities et.al. Eight UNI alliances are currently running successfully (2001). ICEM has established "action network" to link unions and members who work in different countries for Rio Tinto, the largest minerals company in the world (ICEM Update 1998, quoted in Gordon & Turner 2000). Likewise, different levels of local, regional and national unions form networks to negotiate with the Bridgestone tyre company (Windmuller 2000). The IUF has longstanding networks in multinationals such as

⁴⁶ Reference: EWCB, 2000 & information from global trade union federations.

⁴⁷ The previously mentioned four networks are also online (see <http://www.icem.org>) with their web pages including agreed principles of operation, protocol on the functioning of the network and key topics of priority.

⁴⁸ Approximately 14000 shop stewards were estimated to operate in networks within the UNI-sphere in 2001 (Interview with Bob Ramsey of UNI, 15 May 2001).

Danone and Accor in addition to Nestle, Coca-Cola and Tyte & Lyle. The ITF has also had several structures in place in transport multinationals since the late 90s, most notably a world council at UPS.

The direct informal relationship made possible by e-mail and the web has put modern trade unionists in a unique position. The network together often with the experience with European Works Councils (EWC) constitutes the most important source of information available, not only for workers but also most certainly for management. In many multinationals, such networks operate as early warning system for group conveyors and trade union representatives in EWC-meetings etc. However, also corporate management may value the added information channel in situations where subsidiary management tend to "postpone" bad news.

While networks are important to the strategies of all the global trade union federations, there are different experiences and ways of operating the networks, much due to the different sectors of industry in which the global unions operate. There are further differences as to what these networks are used for, what kind of frameworks are built around them and the amount of resources and powers invested in them. Some of the global trade union federations use the international MNC networks for general shopstewards educational purposes, others for education and information about the specific multinationals. Some are focussed on information exchange, while others are solely, or additionally, aiming at building regional platforms for further action. Some use them within a structure of broader workers councils or global agreements, while other networks operate independently of, or crosscutting more formal structures. And finally, some global trade union federations invest political ideas and plans in the network, while others operate them more independently as educational fora without political planning or setting the priorities of the ITS.

In spite of these differences, the networks create an unique opportunity. Networks are essential parts of strategies in order to ensure that workers are consulted about and involved in the development of agreements, monitoring and any subsequent campaigns that take place (see Hale, 2000; Hale and Shaw, 2001). Many of the networks, are discussing future world councils and global agreements. The UNI Telefónica Union Alliance was critical in campaigning for and obtaining agreement for the global framework agreement with the company.⁴⁹ ICEM may be the global union federation that has most often and creatively linked networks and campaigns, and often on internet, as pressure points for dialogue with

⁴⁹ The UNI Telefonica Alliance in January 1999 for example arranged an international solidarity day. This led to further action, which culminated, with the signing of the framework agreement in April 2001 (ICFTU 2002).

management. Such actions have furthermore often been used to pressurise shareholders to get the company to settle on disputes or forcing changes in corporate policies, in companies such as Bridgestone, RioTinto et.al. (EWCB 2000).

The networks have achieved varying success. Depending on the resources invested in them, they do seem however to have improved communication and the exchange of information between national union representatives, enabled more effective international solidarity, raised awareness of malpractice and not the least contributed in some cases in changing management policies around and resolving disputes to the advantage of workers. Networks and framework agreements are interrelated, but not mutually dependent. There is a need to develop effective networks where global framework agreements are reached. However, many networks operate without these having come much further in establishing global framework agreements. Ideally, the union of the home country of the company should be involved in running the networks. The networks, the way they are developed, and the resources put aside by the home union in administering the network will determine whether networks indeed can be used as stepping stones for global framework agreements.

The importance of a European building-block?

While the EWC's is a legislative structure and usually cover issues of corporate character⁵⁰, the Global Framework Agreements cover the core ILO-standards on workers rights, rules about reasonable pay and totally focus on labour standards and rights. The question is whether the voluntary implementations of EWC's from 1994 until September 1996 (§13-agreement) and the following mandated § 6-agreements have been stumbling blocks or facilitators for further global framework agreements.

There are indications that the EU legislation and thus framework- setting rules have influenced multinationals in Europe to develop Global Framework Agreements, adopting labour standards all over the world where the companies have subsidiaries and employees. As discussed earlier, two multinational companies have their EWC as signatories of global framework agreements and joint codes of conduct, and some involve their EWC in monitoring the agreements. By integrating the EWC into the Accor Global framework Agreement, the IUF is for example using the EWC as part of its weaponry for promoting union organisation across the international group.

⁵⁰ The mandated §6-agreement minimum contains some 16 issues that management should report to the EWC of which 8 have direct impact on employees. The rest are of employer interests and only indirectly affect employees (Bain & Hester 2001)

Many of the European unions would like to use their influence at the European level to extend their improving relationship with employers to other regions where their multinational companies are engaged, or simply to use their European Works Councils (EWC) as a stepping stone for global agreements. The European Works Councils may have several weaknesses, but at least provide an opportunity for unions to meet, co-ordinate their work and for unions to raise certain issues with management. Contact with the Accor management in the early stage of the EWC helped for example the discussions and signing of the agreement on global trade union rights. It is also a point in mind that the presence of strong national affiliates in many of the European countries has facilitated the mobilisation against multinational employers for the global trade union federations. Europe may hence be a useful "entry-point" into global recognition while large questions remain as to where to take it from there.

For many global trade union federations the European level is indeed an important building block. UNI aims for example to get the European Works Councils to discuss their obligations according to the international Codes, Guidelines and ILO principles with the employers and in turn press the employers on their activities and encourage the extension of trade union rights further beyond Europe. Unions may have however sometimes have difficulties in gaining control in the EWCs and the global network is hence seen as the primary structure for UNTs and many other global federations' work towards the multinationals.

In many cases, it is the EWCs that carry the responsibility for reviewing the international framework agreements. Negotiating or reviewing global framework agreements point out a new task for the EWCs that could also transform the councils and make them into more global players. It does seem, however, that the use of European strategies and councils as a stepping-stone towards global agreements may also have its strong limitations. European trade unionism, and in particular trade unionism in those multinationals where unions from the home country have governing board representation, is difficult to understand and find legitimate for amongst non-European unionists. In fact, many confrontational and militant non-European (and also southern European) trade unionists struggle with the whole concept of "co-operation" with management, which is often the label European trade unionists give to their relationship with management. Furthermore, while worker representatives on the European works councils are often trade unionists, they don't represent trade unions as such. And finally, while global framework agreements are in some ways often first and foremost to benefit southern workers, the lack of representation of workers from the south becomes an issue of legitimacy if the European Works Councils get a too pronounced role in multinationals with large numbers of non-European employees.

The extended contact between management and workers/unions through the European Works Councils does pose additional challenges and needs for close contact and communication as well as distribution of information between European unions and non-European comrades. Some global trade union federations argue that EWCs should be open to membership of trade union representatives from outside the EU and several are now aiming at improving awareness of these needs amongst EWC representatives and to seek the co-operation of companies in achieving this aim. In order to successfully address the multinationals at a global level, strategic partners and alliances need to be built between European unions and strategic unions in other regions.

The feasibility of regional strategies?

As shown above, some may argue that regional trade union integration is a necessary building block between the national and global levels in the struggle for improved labour standards. The growing numbers of multinationals and activity in all regions of the world will require a further focus on how for example the work of the WCC's can be executed more efficiently. A new dimension is thus introduced through the regional offices of the IMF whose priority will be to establish Regional Company Councils. There are likewise talks of establishing a General Motors Council in Latin America.

UNI has held a series of meetings in Africa, Latin America and the Asia Pacific to identify target companies to establish regional works councils in the financial sector. In December 1999, a first RWC was established for Barclays in Africa. Meetings will be convened twice a year with participation of UNI-Africa finance affiliates with members in Barclays and with the human resource director from Barclays headquarters in London. Management covers all expenses. Similar structures are currently being set up for Spanish banks in Latin America, as well as for HSBC in Asia. The objective is to establish regional works councils in all major finance multinationals.

Regional structures and strategies have formed part of the IUF thinking on strategies and bargaining in multinational companies from the very beginning. Since financial resources were scarce, co-ordination had to be accomplished simply and efficiently. Regional strategies therefore formed an important component in the programme to emerge. Each region would have a co-ordinating union (on the model of the NGG in Europe) that would co-operate with the IUF secretariat in Geneva and with the respective regional secretariat in co-ordinating activities within the company.

In the past, the focus and priority given to regional structures may have been sensible. Yet, even then the focus on developing regional information, trust and gradually network and

structures probably made more sense in some regions than in others. And furthermore, while some of the European Councils and networks may have been relatively successful, these strategies cannot easily be copied in regions with completely different social, economic and political background and with differing union histories. And while national unions and regional contact was of more recent history in Asia, unions in Latin America were more mature and their internal regional networks extended over more years. Unions may also have been more sceptical about outsider interventions in some regions with backgrounds of political repression (UNI 2001).

Concrete impact of the regional strategies differs widely among regions and among countries within regions. There has been relatively limited activity in the Africa region due amongst others to the weakness of many of the global trade union federations regional structures and not the least national member bodies. Both ICU Ghana and FAWU (Food and Allied Workers Union) in South Africa are relatively strong organisations at the national level. However, communications within Africa are expensive and difficult. In the Asia Pacific region on the other hand, there has been far more activity and co-ordination at the regional level.⁵¹ For the North American region, the main priority is to build a strong regional structure and the regional co-operation and co-ordination is strong. The region also assists national affiliates in collective bargaining as required.

In Nestle it has in fact become a major priority for the Latin America region to develop global, as opposed to regional strategies.⁵² Several participants at the Nestle global meeting in Manila in December 1999 also highlighted the need for global thinking and strategies. The networks operated by IMF, and the restructuring of their world councils are also in point global. While regional strategies may function as a basis for information sharing, they require additional thinking, resources and strategy-making in order for unions to "go global".

Codes of Conduct as a stepping stone towards global agreements?

Unilateral codes of conduct developed by management are corporate rules that indicate the values for doing business within and with the company. The International Chamber of Commerce (employers) stresses that whether such corporate rules be implemented or not must be a matter for the company alone, and external influence should only be as means of

⁵¹ In the IUF for example, there have been several regional Nestle meetings, developing working principles and campaigns. Regional seminars have also been conducted in Accor, Unilever and for Transnational Companies. Some of the national union centres in this region are relatively strong at both national level and within the multinational companies, such as Australia, New Zealand, the Philippines, Malaysia and Sri Lanka. In Indonesia, Pakistan and China however, union presence in multinational companies is far more fragile.

⁵² Key issues would include health and safety, subcontracting and casualisation, and GMOs.

benchmarking. The ICC however, has developed a set of principles for member companies to follow if appropriate.⁵³ These principles are very general and weak in their recommendation to the members, and only briefly touch on the practice of social responsibility and workers rights. The position of the ICC in the development of global agreements on workers rights is signalling a passive attitude and show little interest towards its member MNC's to seriously consider framework agreements on workers rights. At this point it is obvious that this does not promote global framework agreements. The Union of Industrial and Employers' Confederation of Europe, UNICE, choose the same approach as the ICC, although the organisation supports an active promotion of the respect for basic human rights (UNICE Position paper on labour standards 1998) and highlights cases where multinational companies actually addresses issues on social responsibility such as labour standards. Both organisations being advisory it might seem the European employers have a slightly more positive attitude than that of the ICC. While seeming more positive, the UNICE is just as sceptical to trade union involvement in implementing or negotiating codes. Thus unilateral codes of conduct highlighted by UNICE is just another means of saying that we do great without the participation of trade unions. Furthermore, employers usually oppose any interference from outsiders when adopting business principles or codes of conduct.

Nevertheless there is an increasing tendency for such interference and pressure. Not only from the OECD with its renewed drive on Guidelines for Multinational Enterprises, the ILO with its tripartite Declaration on Multinational Enterprises and Social Policy and the international trade union movement, but also from consumer groups and other interest groups. The OECD Guidelines involves and commits governments to contribute to a positive influence and attitude towards corporate behaviour, the ILO involve unions and employers as well while NGO's like the ETI and consumer groups might be a direct threat to sales and reputation of multinationals.

One striking characteristics of the recent growth of codes of conduct is their tendency to be concentrated in certain sectors, particularly trade, textiles, chemicals and extractive industries. (Jenkins 2001) Codes addressing labour issues tend to be concentrated in sectors such as garments, footwear, sport goods, toys and retailing, whereas environmental codes are more likely to be found in chemicals, forestry, oil and mining (Jenkins 2001). Codes are in other words also limited to specific sectors, where brand names and corporate image is important. Yet, the ILO concludes their 2001 study of codes that codes cannot be considered merely as a way of improving a company's image. Codes have been found in several sectors and industries where image building is less important and where companies in fact have not been

⁵³ EWCB issue 28, July/august 2000 European Works Council Bulletin

criticised for social and labour practices. Yet, while recognising that both the motives for and the content of codes will differ, few of the codes studied by ILO actually mention the core labour standards. While child labour and health and safety protection is most common amongst those codes that do mention labour standards, very few codes have provisions on freedom of association and collective bargaining (ILO 2001).

The IMF has developed a model code of conduct, which includes the ILO Core Labour Standards. In this it reflects the ICFTU's model for "Framework" agreements. There is a fairly universal agreement in the Global Union movement that the irreducible minimum must be the ILO Core Labour Standards. At the sector level, several Global trade union federations have been involved in developing codes of conduct and negotiating framework agreements, which can include a code of conduct, with employers. The International textile and Leather Workers Federation participated for example in developing codes of conduct together with the European Textile and Garment Employers. Furthermore, initiatives from international institutions, such as the UN Global Compact, has had an impact on revising for example the Statoil/ICEM/NOPEF agreement in order to include the compact principles (ICEM 2001).

There is however a danger that codes are seen as something more than they really are, and used to deflect criticism and reduce the demand for negotiations or external regulation (Jenkins 2001). In some cases, codes have led to a worsening of the situation for those whom they purport to benefit. Concerns have also been raised that they may tend to undermine the position of trade unions in the workplace.⁵⁴ The US States Council for International Business, which has argued against legally binding standards, explicitly argues that:

⁵⁴ See Jenkins 2001 for an elaborate mapping and analysis of the recent Codes of Conduct.

"to the extent that business regulates itself, develops and implements best practices and co-operates with the business community in other countries, the pressure for new rules may be tempered" (quoted in Zeldenrust and Ascoly 998)

Multinational companies are surely put under an increasing pressure by "outsiders" to adopt rules both regarding environment and social responsibility, and to some extent increasingly respond to this by developing such rules. The involvement of local unions and workers representatives vary

from company to company and depend to a large extent on the power of the local unions. Codes of conduct covering issues of social responsibility are become more frequent. However, the extent to which this is facilitating improved communication and dialogue between employees and management is more doubtful. Often, the codes established

McDonald's has officially entered the "corporate responsibility" contest with their [McDonald's Social Responsibility Report](#), which in IUF's view is more of a template for union busting (see <http://www.iuf.org.uk>) "Our global business brings with it global responsibilities", the company states and offers charitable contributions, awards, commitments, etc. Yet, the report fails to offer a single verifiable criterion for evaluating McDonald's' industrial relations practices, and lacks any concrete indicators which might serve its purpose. In IUF's view, it is irrelevant that McDonald's did not conduct an external audit of the report. There is simply nothing to verify, even without the franchised operations (70 percent of global McDonald's units), which the company claims to have neither knowledge of nor responsibility for. Nowhere do the words "trade union" appear and there is no mention of the collective rights of the hundreds of thousands of employees around the world who wear the McDonald's uniform. Rather than rights at work, McDonald's offers employees "principle-centered people leadership"!

McDonald's employees around the world have a great deal of experience with this leadership. While a few unions have won recognition and collective bargaining agreements with McDonald's, they have had to fight every step of the way. The company has devoted enormous resources to ensure that McDonald's employees are denied their collective rights and unions are crushed. McDonald's franchisees have actually closed units rather than agree to union recognition, as recently happened at several restaurants in Canada. The entire labour movement has mobilised in defence of trade union rights in Norway, Iceland, and Denmark, to take but a few examples, when McDonald's announced that it would not be bound by national agreements in the sector. And for many years, McDonald's Germany has been paying out enormous sums of money to try and convince individual workers to renounce their union membership and resign from works councils.

Instead of "corporate social responsibility", McDonald's needs to declare a commitment to the right of workers to organize trade unions and bargain collectively as a guiding principle of corporate practice.

function more as a scapegoat to lesson the pressure from the "outsiders", and have limited effect on industrial relations in the short-term.

The extent to which the codes of conduct actually follow the international guidelines set by the UN Global Compact, the ILO Tripartite Declaration and the OCED Guidelines, will have consequence for the extent to which labour can actually use them as vehicles forward. The IMF likewise developed definitions of an IMF Model Code of Conduct as a result of its 1997 Action Programme and continuous to campaign for its adoption in all corporations. The IMF World Councils will play a leading role in any international collective bargaining co-ordinated by the IMF to push through the adoption of the Code of Conduct.

If management really engage in dialogue from this development it might indicate a coming boom in global framework agreements. On the other hand the increasing number of multinationals adopting unilateral codes of conduct covering issues on social policy regardless

of workers and unions opinion may indicate that this is as far as management will go. With this voluntary initiative by management to implement social policy rules in the business principles, weak unions and workers representatives will tend to have little to say in taking this further to a framework agreement committing both unions and management. There is reason to consider this as a barrier to adopting global agreements that commit both management and unions, and thus a hinder for trade union recognition.

World Councils as stepping stones?

Of all the global unions the IMF seems to have the best structured union network, but no framework agreement until early 2002. The IMF has however also been at the forefront when it comes to world councils. By late 2001, there were 24 IMF Councils bringing together workers from multinational corporations. The world company councils are structures, which give labour a chance to meet and strategise about possible steps forward towards management, but the councils do not commit management in any way.

The process towards global framework agreements has come far in many world councils, but US- and- Japanese management makes the process more difficult. Nevertheless both the IMF and ICEM challenge for example the US MNC's on global agreements. The IMF has had several world council meetings also in the past few years where action programmes, including corporate codes of conduct and the building of more effective working structures and global agreements are included on the agenda. Council meetings in General Electrics and SKF may serve as example of World Councils where Codes of conduct, Global Framework Agreement and agreement on collective bargaining and freedom of association are being raised and subsequently discussed with management.

So far, the IMF has signed only two global agreements (late 2002) although it is discussed on all WCC meetings. Barriers emerging are the uncertainty regarding the suppliers and contractors, and questions on who should be the trade union signatory. There is an opinion that the union signatory must have a relevant platform for taking responsibility and that it is a person with closer links to the MNC than the general secretary of the IMF. This is a question of giving a mandate and of monitoring of a potential agreement. The discussions on global framework agreements in the industries covered by the IMF are ripe and well prepared, anticipating one or two new agreements coming about soon. The draft ICFTU framework agreement sets the standard and starting point, while the World Councils and the EWCs serve as the stepping stones for the IMF in this case.

The IMF recognises that the World Councils will need to be restructured and become permanent working bodies in order to respond to urgent requests for action, develop and

implement joint strategies and co-ordinate actions with regional worker representative bodies such as the EWCs. Detailed guidelines have also been drawn up to this effect. Considerable experience has been gained through the numerous meetings held in the years from they were first established in the 60s. The IMF World Councils will continue to play an important role in the unions' global strategies. However, plans are under way to restructure the councils in order to make them more effective tools for worker mobilisation and solidarity. The IMF notes that World Councils are very costly and that due in part to cost constraints, they have also fallen short in a number of areas (IMF 1999). The Councils meet at long and irregular intervals and are large meetings with changing participants that have widely differing competencies and expectations. The restructuring of councils is also necessitated by the wave of mergers, acquisitions and alliances in the automotive industry.⁵⁵

In order to make these bodies more effective in response to urgent situations, to serve for ongoing information exchange, develop and implement joint strategies and co-ordinate effectively with regional structures such as the EWC, the restructuring of the councils is suggested as part of the action programme to the next IMF congress (2002). The proposal is to make the councils permanent bodies, have as much continuity as possible, meet regularly, include a fixed number of participants from where the MNC is present, delegate numbers should reflect union membership in the MNCs in the countries concerned, and create regional structures. The councils should furthermore, set up effective means of communication, review council structures in line with the merger and acquisition activity of the MNC etc. The aim of the restructuring is to make the councils more effective in both addressing the political priorities of the IMF of organising and recognition as well as become more effective in responding to urgent needs of the members and organising campaigns. Before full councils are set up, the IMF also suggests setting up working committees to consider resources, structure and future activities. And finally, the IMF secretariat is to be geared towards playing a more supportive back-up role for the councils.

Simultaneously, UNI launched a program to build global councils on the basis of European Works Councils after the 2001 World Congress while also signing global agreements with multinationals in order to tie them to core labour standards and backing the UN Global Compact Programme. UNI has been working towards developing wherever possible, works councils with union representation to campaign for more social responsibility in business and to give workers a voice in the affairs of their company. UNI has been making efforts to extend the concept of works councils to representation on a global basis. In this regard, one

⁵⁵ The structures are no longer appropriate considering the restructuring of the sector. According to IMF, general secretary M. Malentacchi, it would be silly for the Nissan council to meet in the absence of Renault and ditto for the Mazda and Mitsubishi councils" EWCB 2000).

of the aims of the UNI multinational alliances' work has been to develop global works councils. The textiles, garment and leather federation trade secretariat ITGLWF has similar goals of promoting the creation of world-wide company councils within individual multinational corporations.

While most global union federations have tested out the concept of world councils, the learning experiences seem to have been mixed. At the same time, the costs and resource draining character of the councils seem to have been experienced by all the global unions. The IUF for example gained this experience from their attempts to establish a world council in Nestle in the 60s. While managing to keep world councils alive for longer than most other global unions, the IMF has learnt similar lessons in the 90s. Such experiences have pointed out to the global unions the need to look closer at the focus, infrastructure and political agenda of the councils in order to take them forward as a platform for campaigns towards global framework agreements.

International campaigns

The labour movement has to a large extent depended on campaigns in their national, but even more in their international struggles. Achieving objectives through traditional methods of collective action has become more difficult. The ability to mobilise public opinion has on the other hand proved increasingly effective as a means of pressurising companies.

In terms of international strategies, the campaigns against Rio Tinto are relatively well known. The largest mining company in the world, Rio Tinto has operations on all continents (except Antarctica), but also a world renowned reputation for violations such as suppression of trade union rights, exposure of workers to radiation, illegal uranium mining with slave labour in Namibia in the 70s, negligence and complicity in the civil war in Papua New Guinea, etc. The union movement has maintained a strong pressure against Rio Tinto for all these years.

The campaigns against the labour practices of Rio Tinto, McDonald and Nike, against the labour practices of Coca-Cola in Guatemala and more recently against the use of child labour at the Scandinavian clothing company Hennes & Mauritz have all demonstrated successful large-scale international labour campaigns.

The ICFTU set up a campaign in the early 90s, which was to be formative for many later campaigns, both in terms of alliances and strategies.⁵⁶ The instance concerned a campaign directed at the international toy industry with establishments in Thailand. Union pressure for implementation of labour standards in alliance with NGOs, led to the companies establishing codes of conduct, although not generally recognised as satisfactory by labour. Yet, the

⁵⁶ See Justice (2001) for more information on the campaign.

experiences with broad-based alliances and initial discussions with corporates proved valuable in the longer term and changed the strategies of labour for example in their discussions with FIFA concerning child labour in Pakistan.⁵⁷ The ICFTU/Basic Code of Labour Practice is based on the experiences with the FIFA-code.

In the mid 90s, Nike's image was badly damaged by exposure of its record of widespread labour abuses in its overseas shoe manufacturing plants (Global Exchange June 28, 2001).

Similarly, the US WalMart chain has been known for union busting for years. In 2001, WalMart announced that it was closing the meat departments in 180 stores two weeks after the meat cutters at one Texas store voted to form a union, which is the first successful

High-profile labour-initiated campaigns to make the curving icon associated with slave labour, manipulated logos, marred billboards etc. all served in order to destroy the Nike image brand (Rebensdorf 2001). In October 1997, for example, Nike faced protests in 50 US cities and 11 countries over allegations of subsistence-pay rates, the use of child labour and worker intimidation (Utting 2000). While denying the charges, Nike moved quickly to join a group of clothing companies drawing up a code of conduct. Under pressure to clean up, Nike was forced to make a public commitment in 1997 to respect the freedom of association, which again was repeated in Nike CEO Knight's commitment July 2000 through high profile support for the UN's Global Compact. There are strong indications that Nike's promises have not been met (Connor 2001). and that

organising drive at an American Wal-Mart (Anderson & Cavanagh 2001). Union actions are maintained against WalMart and likewise against CocaCola due to their labour practices in Guatemala.

The IKEA agreement came about after initiatives from Scandinavian union leaders as well as media pressure. Daily newspapers in Norway wrote about violation of workers rights in IKEA, and labour responded with boycott threats towards IKEA if the company did not do something about this. The response came through meetings at top level and a dialogue, which ended up with the IKEA- global framework agreement.

The increased significance of brands and corporate reputation makes leading companies particularly vulnerable to bad publicity. It is not uncommon for codes of conduct or global agreements to be adopted in the aftermath of some major event that has been a public relations disaster for the company concerned. Shell for example, incorporated human rights into its code of conduct as a result of the criticism of its Nigerian operations following the execution of Ken Saro-Wiwa (Amnesty International 2000). Likewise, the global framework agreement with Chiquita must be seen on the background of this company's dependency on

"In today's world, a TV expose on working conditions can undo years of effort to build brand loyalty." The Levis CEO, 1994 that (quoted in Zeldenrust and Ascoly 1998).

⁵⁷ ICFTU, FIET and ITGLWF met with the International football Association FFA during the 1996 Euro event in order to establish a code of conduct based on international labour standards. The event leading up to this was the involvement of child labour in the production of footballs in Pakistan (Justice 2001). By 1997, the ILO, UNICEF and the Sialkot Chamber of Commerce (Pakistan) reached an agreement on a programme to end child labour.

their brand name.⁵⁸ The current crisis in the banana sector has also left the MNCs unusually sensitive to public pressure. Retail concentration has given the supermarket chains unprecedented leverage over corporate suppliers, but has also left them vulnerable to organised consumer pressure (IUF 2001b).

Using campaigns to deal with suppression of labour rights and union busting may be effectual and hence force through codes of conducts and global recognition. In some cases, corporations have explicitly advocated the implementation of Codes of conduct to deal with potential future criticism from "watch-dogs" (Jenkins 2001). In some cases, campaigns may also force unilaterally determined codes of conduct to be transformed into more binding agreements between labour and employers. The IUF argues for

The global trade union federations have consistently urged multinational companies in their industries to withdraw from Burma until forced labour ceases and full democracy and human rights, including trade union rights, are restored. Unocal for example came under pressure from unions as well as religious and human rights activists, concerning the company's ongoing investments in Burma. Unocal is a joint venture partner in a gas pipeline project there with a firm owned by the Burmese military dictatorship. Pressed over a recent media report that Unocal and the Burmese regime were considering a new gas pipeline to India, Unocal CEO Charles Williamson publicly stated that the company would refrain from expanding its investments in Burma.

example that in the banana sector, the "codes of Conduct" industry may be nearing the end of its shelf life, as consumers and NGO activists come to understand that public relations exercises cannot substitute for negotiated agreements between the companies and the workers' trade unions – at every level, including internationally (IUF 2001b).

International campaigns are however costly, demanding on resources and require networks and good media strategies. Campaigns may also be more demanding in some sectors than others. Launching campaigns against Coca-Cola, McDonald or the Swedish Hennes & Mauritz⁵⁹ will be more effective on the basis of the image-building of the company towards its consumers, than launching an international campaign against a transport or gas pipe enterprise. In fact, actions against companies such as CocaCola may to some extent depend on campaigns. The franchise systems has made it increasingly difficult to use strategies such as negotiations, pressure for global recognition and formal agreements to bind the company, unless taking much care to the wording also about how to bind their suppliers. Yet, for large brand name companies (Coca-Cola, McDonalds, etc.) in particular, international campaigns may turn out costly and demanding on time, resources and networks. Furthermore, such strategies rely on the MNCs in turn being vulnerable to consumer pressure. And finally, campaigns may more easily result in agreements or codes of conducts that cover particular

⁵⁸ According to the IUF, few commodities are as closely identified with their brand names as is bananas with the names of Dole, Del Monte and Chiquita (IUF 2001).

⁵⁹ Ref. Campaign against H&M in the summer of 2001 because of child labour.

issues, which are regarded as particularly damaging for companies to be associated with, such as child labour or slave labour,- issues in other words that have a high profile in the industrialised countries in the West.

Campaigns may not be an optimal instrument in order to promote global agreements, but it shows that the trade unions have the power to influence multinational enterprises by pure actions. From time to time all global trade union federations hence needs to develop specific campaigns in respect of activities of multinationals. These can take many forms. Examples of recent campaigns include a campaign being run by the UNI Cable & Wireless Multinational Union Alliance to gain union recognition for Cable & Wireless workers (UNI 2001). The IUF campaign against Bel Monte due to their dismissal of 900 workers in Guatemala and assault on union leadership likewise resulted in an agreement being signed between employers and unions stating that workers can return to their jobs, and have the right to organise and to collective bargaining. In conclusion, campaigning has in some cases led to discussions, negotiations or even global agreements with the company. However, campaigning needs to be combined with other means, such as union networks, regional platforms, strong unions in the home country of the multinationals in order to assure effective means for further labour inroads.

Education and information-sharing

In the early 90s, it became increasingly clear for the IUF that a new offensive strategy had to be developed towards the multinational companies in their sector. The *Transnational Company Education Programme* was developed on this background. The key multinational companies targeted were Nestle, Unilever, Parmalat, Coca-Cola, Accor, and Danone. The programme aimed specifically at giving unions in multinational companies greater capacity to represent their members, develop efficient and sophisticated trade union strategies, strengthen international trade union solidarity and improve bargaining within multinational companies and union recognition by multinationals. The operative goals were to develop and disseminate information about the multinational companies and bring the workers of these companies together in networks. On that basis, regional structures of company representatives were gradually to be built which could assist the national unions in their strives for organising members and negotiating on their behalf. The aim of most seminars has on that basis been to improve shop-stewards' information about the companies, put company shop stewards and union representatives in touch with each other across national borders and strengthen the regional structures.

The focus of workshops and seminars has generally been of educative character focussing on working conditions, union rights and not the least company characteristics, strategies and growth in the MNCs in focus. Common interests have been identified on that basis such as the opposition to sub-contracting, temporary employment and contracted labour; campaigns for union participation in health and safety programmes etc. in for example Nestle plants.

There seems to be little doubt that national unions in many countries have gained by the programme. Both in the Asia Pacific region and in Latin America, unions now have better access to information about their multinationals. Furthermore, information about suppression of trade union rights in one "weak part of the chain" is more easily distributed to others and actions hence supported by international campaigns and solidarity. While the African experiences have been more difficult⁶⁰, several seminars in Latin America and the Asia/Pacific region have been useful from the viewpoint of exchanging information about wages and working conditions as well as views of experiences.

Several steps have been made forward for the IUF work in multinational companies. Unions in several Asian countries have

successfully negotiated shorter weekly working hours in recent years. Furthermore, meetings were held in Vevey between the Nestle regional management and the IUF A/P, African, North

The Unilever Co-ordinating Council in India would according to the IUF not have been possible without their educational programme. Since 1997 there have been several activities, in late '99 there was another conference arranged and the Council now has a Constitution and the organisation is formalised. An IUF Council of Nestle workers was furthermore established in the Philippines. And the Asia/Pacific Nestle co-ordination now covers 15 unions in 10 countries.

and Latin American regional secretariats. Real progress was, according to the IUF, made towards de facto Nestle recognition of the IUF. The programme seems to have improved the information flows and to some extent the co-ordination between the national unions within a regional perspective. Most Nestle national unions for example now have collective agreements and bargaining with management at the local level.

Such programmes may become critical as a basis for further global labour strategies towards union recognition in multinational companies. As also recognised by the IUF, additional resources and strategies are however, required to take this forward into global recognition and agreements. Furthermore, educational programmes could be reinforced and strengthened by direct campaign and political goals set for the seminars or conferences. Another idea would

⁶⁰ Communications within Africa is expensive and burdensome. Several of the union affiliates on the continent are also struggling with retrenchments, declining real wages, lack of local bargaining, tense relationships to governments and employers and lack of internal resources. Still, real progress has been made in Zimbabwe for example where union membership increased from dose to zero at the Nestle plant to a substantial majority.

be to use international trade union internet educational programmes more targeted to support the educational programmes of the global unions and their political campaigns.⁶¹ Many seminars focus on improving the levels of information about the multinationals and identifying challenges and problems of the union delegates. The challenge for most global trade union federations is to turn this towards *global* strength, through more targeted political strategies and programmes of action as a basis for seminars.

Information and data bases

Information gathering and dissemination is given relatively much attention and focus in all the Global trade union federations. Simultaneously, there are few databases available demonstrating collective agreements, wages and working conditions in their various multinational companies. Most Global trade union federations focus on labour rights rather than wage levels and comparisons of working conditions. However, there is also limited information or compilations of rights-based conditions, collective agreements or minimum labour standards for the various multinationals available for all national unions and plants.

Developing a database of information related to multinational companies and collective bargaining should be of high priority for the unions. Yet, there are concerns from the global unions that this would require too strenuous resources in order to develop and furthermore maintain in the longer perspective.

Databases have indeed proved to be costly and demanding on resources, as experienced also for example by the IMF. The IMF has invested considerable resources in pulling together the key information, concerning for example wages, and working hours, shiftworks etc., from collective bargaining agreements in the motor vehicle and electronics sectors. UNI is likewise developing an on-line collective bargaining network with database in the finance sector. Yet, databases have limited value without constant maintenance and updating, and they require considerable investment of time and resources. However, it has proved feasible in some of the multinationals. Furthermore, the process could be assisted by co-ordination with the databases that are now under work in ETUI and national union research centres. The latter could assist in both developing feasible and usable indicators as well as in developing usable software for such databases. The valuable research conducted by labour linked research centres such as Observatorio Social in Brazil and NALEDI in South Africa on labour standards in multinationals in would be very helpful in the process.

Finally, while wages may be difficult to compare across countries, problems are not

⁶¹ Educational programmes such as the one set up by the ITF, DIALOGUE-on may be an example.

insurmountable⁶². Other indicators may also be easy to compare and critical for union solidarity, such as conflict resolutions, training, retirement age, etc. Comparisons of working hours across countries may also be complicated⁶³, yet they have been done in the Asia/Pacific region of the IUF and is continuously done by the ILO and others through national labour force surveys. The Latin American Nestle workers of the IUF drew major benefits from the database on collective bargaining they did in the region. With the overview of other national agreements, demands were raised, the bargaining strategy and power of local shop stewards strengthened and clauses successfully added in national plants collective agreements.

An alternative, or additional, approach may be to develop union benchmarking, i.e. a set of minima which should be included in any national agreement with transnational companies. This would also have to be done by the global trade union federations in order to develop stronger national bargaining and co-ordinate standards and has been a strategy of many global trade union federations in both global meetings with the MNCs and in the WTO negotiations. Another key priority is to develop a usable format for inputting and storing information about union representation and contacts at various levels.

Co-operation with external groups and NGOs

When unions, other social movements and organisations as well as NGOs co-operate, the political impact may be quite powerful. Than the general secretary of the IUF, Gallin (2000) suggested already in the early 80s that alliances between unions and NGOs should be an essential element of an international labour strategy to balance the growing power of multinational companies. In his view, the broader social agenda of the labour movement could only be advanced through the building of broad popular alliances.

The debate about the role of NGOs is long and with ample controversies. Several consultants have pointed out to corporate management the benefits of active use of NGOs in corporate policy, which in turn has led to people arguing the "corruption of the NGOs".⁶⁴ Yet, there has been extensive co-operation between the ITS and for example Amnesty International during the past decades. Gallin (2001) demonstrates for example how church groups and Amnesty International played key supportive roles in the IUF campaign against CocaCola from 1979 to '85. Likewise, the International Textile, garment and Leather Workers' Federation has co-

⁶² Comparisons difficult due to gross/net variations, deductions, tax levels and systems etc. as well as control for exchange rates.

⁶³ Comparisons will be made more difficult when taking into account problems of estimating normal time (including possible overtime) versus contracted time, etc.

⁶⁴ Former Dutch Minister of International Cooperation Jan Pronk quoted in Gallin 2001.

operated with the Anti-Slavery Society on bonded labour and various NGOs on child labour. And the Education International and its national affiliates co-operated with various NGOs on the global march against child labour, et. al. (ibid). Likewise, the ITS in general work closely together with human rights groups and Amnesty on campaigns for the release of imprisoned trade unionists. And the ITGLWF participates in the Clean Clothes Campaign a coalition with NGOs started in 1990 with the objective of improving working conditions in the garment industry worldwide. And several global trade union federations co-operate with SOLIDAR in the lobbying campaign against the WTO for labour rights and with institutions like Oxfam more generally on human rights.

The co-operation and partnerships established between business and NGOs on issues of corporate social responsibility and codes of conduct is well established. In many cases, NGO protests and other forms of campaigning has forced business to the negotiations table. The high profile Shell-Greenpeace confrontation for example eventually led the Shell-UK to engage the Environment Council, a British NGO, to facilitate a series of European-Wide "Dialogue Forums" between the company and a wide range of NGOs and other stakeholders on alternative disposal options for the Brent Spar (Murphy & Bendell 1999).

In spite of these instances, NGOs rarely organise activities together with trade unions and there are strong cleavages between labour and many NGOs in particular around issues of social clauses in the WTO. Furthermore, the co-operation seems to be stronger and further developed for environmental issues and human rights than for labour issues. There also appears to be greater evidence of business-NGO partnerships in the North than in the South. Yet, the increasing size and apparent uncontrollability of multinational companies, together with the rapid spread of information technology are leading to a new NGO-driven politics of pressure (Murphy & Bendell 1999). While maintaining the union ownership to campaigns, collective action and to agenda setting, much seems to be possible to gain by critical labour-NGO co-operation. One way of strengthening the alliances with NGOs could be to campaign for both labour standards and environmental demands to be included in the global framework agreements. The problem today is not necessarily that national legislation is lacking where the multinationals operate, but that national legislation is not upheld, respected, and controlled by national authorities. As such, alliances between trade unions, NGOs, and even employers where framework agreements are negotiated, may serve to pressurise governments to show responsibility.

Lobbying or marching?

Polarisation persists between resistance and accommodation inside the labour movement. This has been expressed at regular interval also as a debate about whether to lobby international institutions and multinationals on the one hand or confront and mobilise for collective action on the other hand. Should unions attend the World Economic forum or not?

Several forms of NGO-business partnerships and negotiations may have had the effect of diluting activist pressures. Many NGOs and activists have shifted tactics, reducing or abandoning more confrontational forms of activism and co-operating with business to provide technical assistance and services (Utting 2000). Yet, there is also the strategic challenge of knowing where to intervene and with which actors to intervene and ally. Intervening in the wrong "places" may waste considerable effort. Analysis of global value chains reveals the presence of multiple actors in any product sector, and the complicating issue of distribution of power among the different actors in the chain. With a focus and presence on the right spots in the value chain, union lobbying has in many cases also proved effective in convincing corporate management into labour recognition and labour standards.

The IUF does not have strong union membership in Accor and explains for example the trade union rights agreement as a product of particular relationships with the Human Resources Department and the corporate image of the company. The Human Resources Director has won prizes for his positive and progressive approach to industrial relations and the global agreement reinforced the brand as having a "clean, fresh, open, transparent image of the birdies flying off into the distance" (interview with Ron Oswald, IUF general secretary, see Wills 2001). Likewise, the Volkswagen agreement came about as a result of the previous pioneering role in labour relations in the automobile industry⁶⁵ and close communication with labour. The challenge in these, and many similar cases, is hence to inform and convince corporate management about the possible gains to achieve by global agreements with the labour movement.

While close contact and improved relations between union leadership and corporate management has achieved several inroads for labour, the relationship and union gains rely at the end of the day on a close balancing between "lobbying and marching". Few doubt that lobbying is critical to union success. However, the success of lobbying relies entirely on the ability to mobilise collective muscles behind ones own goals. In order to legitimise union

⁶⁵ A European works council was set up long before adoption of the European Works Council Directive and, until late 2002, Volkswagen was also the only company in this industry with a world works council, set up in 1998 on the basis of a voluntary agreement. Not until 2002 was another similar body created, this time at Daimler Chrysler.

lobbying internally, lobbying also requires meticulous and transparent feed-back structures and regular evaluation in order to assess its value.

Corporate motives and actions

The spread of global agreements depends on receptive management in the companies concerned. So what factors give rise to partnerships between business and labour, and change business motivations and cultures towards more open and innovative transnational employment relations? Ramsay (2000) argues that the prevailing conception of international unionism, particularly that which advocates transnational collective bargaining as the sole or primary form of internationalism, tend to rely on a monolithic “black box”, view of MNCs. Simultaneously, “understanding the enemy” is important in order to develop appropriate answers, solutions and strategies. Multinationals differ both in terms of corporate structures, commodity chains, interfirm networks, organisational structure, and managerial dilemmas and incapacities. This in turn will pose important background information for labour. For unions to assume the presence of a rational management may in itself be dangerous in some circumstances (Ramsay 2000). Finally, it is reckoned that fast-growth companies in attractive high-skilled sectors, depend more on the loyalty and creativity of workers and thereby will be more favourable to stronger labour relations and investments in worker incentives and skills development.

Emerging realisations of joint shared problems and interests is an important factor. Murphy and Bennet (1999) underline the emergence of campaigning, the decline in the effectiveness of state regulation and global governance but also the proliferation of double standards, and recognition of the need for accountable models of society and standard setting etc.

Some suggest a paradigm shift in corporate policy and practice away from seeing only costs and difficulties in the concept of sustainable development to seeing savings and opportunities (Schmidheiny et al. 1997, quoted in Utting 2000). They argue the paradigm shift also points out a change from a point of seeing environment and social issues as responsibilities only for technical departments to seeing these issues as a corporate responsibility, from a starting point of confidentiality to one of openness and transparency and from narrow lobbying to more open discussions with stakeholders. It is undoubtable that business attitudes may have changed amongst some of the MNCs. It seems that the political motivation is the most important in motivating organisations to seek out partners or accept offers to collaborate (Murphy & Bendell 1999). MNCs want to replace a “technological arrogance” with a more cooperative approach. The concept of “stakeholder management” is introduced to argue that companies can only succeed if they pay attention to those who affect or are affected by a

company's operations (Murphy & Bendell 1999). "Civil regulation" is likewise pointed out reflecting the increased power of NGOs in setting the standards of the corporate world. Simultaneously with corporate governance changing from shareholders value-based management to stakeholders value-based management (Lazonich & Sullivan 2000), there has also been a development of the critical criteria for being accepted as socially responsible by investors.⁶⁶

Shell became the focus of two high profile campaigns by environmental and human rights groups in the mid 90s that raised serious questions about the company's commitment to sustainable development; concerning their efforts at dumping the Brent Spar oil platform in the North Atlantic, use of lower environmental standards in the lower Delta region⁶⁷. In addition, Shell was accused of supporting human rights abuses given its perceived close association with the Nigerian military regime. Previously, Shell had received considerable criticism for its role in South Africa during apartheid. Increasing environmental, consumer and human rights complaints and in particular the criticism after the execution of Saro-Wiva in 1995 led the World's Council of Churches to release a report, arguing that Shell has been justifiably criticised for its operations in Ogoniland, Nigeria. Shell in turn releases their revised business principles. In September 1995, the Canadian government introduces a voluntary policy initiative, the International Code of Ethic for Canadian Business, largely in response to Shell's controversial role in Nigeria (Murphy & Bendell 1999). Likewise, the "Nike Fair Play?" campaign resulted in meetings between Dutch activists and Nike officials, at which the company's representatives admitted that the monitoring of its code of conduct was unsatisfactory (Murphy & Bendell 1999). On issues of child labour, the big corporations have probably bent further than on any other issue. The "Project to Eliminate Child Labour in the Pakistan Soccer Ball Industry" is a multi-stakeholder collaboration that involves NGOs, Save the Children, the ILO as well as Pakistani Chambers of Business, UNICEF et.al. with the initiative taken already in early 90s by the AFL-CIO.

Corporate management seem to become more of a political process. And civil society, and labour, organisations are playing significant roles in promoting environmental and social management. The evidence of anti-logging, anti-oil and anti-child labour protests illustrates that NGOs are increasingly setting the political agenda within which business must work. The question of why some sectors of business are changing reveals however, an answer that may

⁶⁶ Ref. to FTSE 4 and Dow Jones Sustainability Index et al.

⁶⁷ From 1982 to 1992, 1,6 million gallons of oil were spilled from Shell's Nigerian fields in 27 separate incidents. Their main opponent in Nigeria has been the Movement for the Survival of the Ogoni People, an activist group with the linked goals of environmental protection and social justice for their people (Murphy & Bendell 1999). The novelist Saro-Wiva became international spokesperson from 1991. The military government in November 1995 later executed him.

have less to do with a new-found ethical concern among corporate executives for the environmental and social condition of the planet than with economic, political and structural factors (Utting 2000). These include so-called “win-win” opportunities, the possibility of enhancing competitive advantage, “reputation management”, pressure group and consumer politics, regulation or the threat of regulation, pressure from ethical investors and shareholders, and changes in the way production and marketing are being organised globally (Utting 2000).

Danone entered into a framework agreement in order to make their “ethical” behaviour transparent and credible. There is a clear business advantage in this (Oswald 2002). Fonterra's chief executive argues that the global framework agreement signed with the IUF will enhance both their financial, environmental and social performance (EWCB 2002). Responsiveness to environmental and social concerns can enhance a company's competitive advantage. And few will doubt that multinational companies such as Fonterra will find marketing value from its signing of the global framework agreement with the IUF with ILO head Somavia and New Zealand prime minister Helen Clark as witnesses. Likewise, Anita Normark, IFBWW General Secretary argues that “the agreement provides an added value for Ballast Nedam. The verification of the efforts of the company to live up to international standards can be facilitated through the use of a global union network.” The promotion of cooperation between workers and management remains a part of Statoil's basic approach to labour relations because the company believes that it helps create a stable business environment and secure their license to operate. Statoil's agreement with the International Federation of Chemical, Energy, Mine and General Workers' Unions (ICEM) is regarded as a valuable tool in this regard and helps give early warning of problems the company should be aware of, while allowing them to take early action to mitigate risks.⁶⁸

Yet, while many companies shift from a piecemeal, narrow, and technical approach towards a more holistic, systemic approach that is more responsive to multiple stakeholders, these companies are still in minority. “Corporate responsibility” is a fragmented and uneven affair and the dominant model of economic growth continues to encourage business practices that degrade the environment and disregard the concerns of various stakeholders (Utting, forthcoming). Assessments and evaluations of corporate motives are, and will increasingly become, critical for union success. The ability to convince corporate management about the gains to be achieved through global agreements may also become an increasingly important part of a “carrot and stick” approach to global mobilisation.

⁶⁸ <http://65.214.34.30/un/qc/unweb.nsf/content/statoil.htm>

Building a platform for international solidarity and strength?

With a few and limited exceptions, none of the multinationals have had much success in terms of global bargaining.⁶⁹ On the issue of international trade union co-ordination, the IUF Executive Committee itself even concluded in 1999 that in practical terms, there were few positive new developments towards the establishment of effective trade union networks within specific multinationals (IUF 1999b). In most cases, there is also limited contact between world union structures and networks on the one hand and corporate management on the other hand. However, the union-management landscape is changing and business practices are under considerable pressure internationally. Most Global trade union federations now give focus to increased pressure towards global recognition and agreements.

Several factors are important in explaining the success of labour in campaigning for recognition by, and global framework agreements with, multinational companies. There is currently a strong drive amongst all the global trade union federations for more framework agreements. Resources are invested in networks, databases, global councils etc. and not the least secretariat support for these structures and processes. Furthermore, the nationality of the multinational, and the strength of the national union in the corporate headquarter, are amongst the most important factors in explaining success. Sector specifics and corporate motives also make it easier in some multinationals than in others. And campaigns and alliances with NGOs and external groups may serve as the additional and sufficient factors, which bring corporate management around and in favour of an agreement.

Any trade union strategy towards multinationals and global agreements would need to take into account the employers' motivation for recognition and the overall rationale of the enterprise. There is a common approach in most of the negotiated agreements. The MNCs emphasise the need for social responsibility and social dialogue within the company in order to grow and develop. From the employers' point of view, negotiated global framework agreements also have the benefit of committing the trade unions and making the workers representatives a responsible party. The multinationals might from this point of view hope to meet more patience from the trade union side and thus avoid unwanted disputes and public focus. However, irrespective of employers' motivation, the unions will have large potential gains to be made from the global agreements.

With globalisation, the ability to mobilise public opinion has proved increasingly effective as a means of pressurising companies (Gallin 2001). Yet, it is the combination of strategies that

⁶⁹ There are some examples of global bargaining in solving labour disputes (see for example the ICEM involvement in Almond labour dispute), but no experience in reaching collective agreements at the global level.

may turn most successful in achieving more global agreements. A careful assessment of which issues are best dealt with at local, regional and global level needs to be made. While local and national strategies will remain critical for organising and bargaining, regional and international strategies may become critical in order to setting international minimum labour standards and a global framework and strategy for solidarity action.

Successful and strong international labour movements will continue to rely on strong local structures and shop-floor power. Rather than assuming that the international level becomes more important than the local and national in a global economy, we argue that labour has to develop a multi-level approach in order to tackle the challenges of globalisation. Global framework agreements may in fact become an extra lever in supporting local and national activity within multinational companies. In terms of the international regulation and minimum labour standards required at the global level through the WTO, the ILO et.al., the global trade union federations and the ICFTU will also become increasingly important. Whereas trade union internationalism has traditionally involved appealing for financial and emotional support for workers in a dispute or workers in the south, an international framework agreement allows global trade union federations to get much more actively involved in negotiations with corporate managers on workers' behalf. This approach allows global trade union federations to develop a bargaining relationship with managers at the head office of a MNC, rather than having to respond indirectly through local affiliates and international campaigns (Wills 2001).

A critical assessment also needs to be done in terms of the suitability of European strategies and the use of EWC to cover global issues. Unions and workers outside Europe cannot rely on the European comrades to support them. The unions in Europe are already themselves under great pressures. Furthermore, European strategies and institutions may not always have easy legitimacy beyond European borders. The participation of non-European union representatives in preparatory meetings for the EWC is promoted by some of the global union federations and will be an important tool for building global solidarity. Information exchange etc. will also still to some extent have to take place through regional channels. However, in order to move beyond national bargaining to a higher level of global standards and possible agreement, new strategic alliances and partnerships *across* regions need to be built as a foundation for campaigns and power. The participation of southern unions in this respect will become critical to gain legitimacy and actual success.

Most of the Global Framework Agreements have come about after the MNCs implemented the EWC-directive. However, this must be viewed as only one out of several factors facilitating the global framework agreements. The ILO Tripartite Declaration on MNCs and

several other international initiatives had been launched at the same time. The IUF Executive committee argues that in most cases, participation even in the preparatory meetings of the European Works Councils are not yet open to those outside Europe (except Accor and Danone). Nor has there been an adequate flow of information from meetings of the European Works' Councils to affiliates in other regions.

With five global framework agreements with multinational companies the IFBWW contribute substantially to the promotion of workers rights and trade union recognition. Nevertheless the agreements with the German multinationals Hochtief, Faber-Castell, the Dutch Ballast Nedam, and the Swedish IKEA and the Skanska-agreement all differ in contents and monitoring. As Marion Feldman of the IFBWW secretariat puts it, "We have thus far seen a lot of goodwill from the multinationals side, now when the time comes to renew the agreements it is up to us to show that we want to implement stronger focus on including suppliers and contractors".⁷⁰

While labour has had some success in achieving recognition and agreements with multinationals during the past year, we should keep in mind that these are vulnerable processes. At Hyder for example, management signed up to a code of conduct, which included a provision that water multinationals should negotiate with a PSI delegation of trade unions "appropriate forums for information and consultation on matters relating to the company". Furthermore, Hyder and PSI established a bilateral monitoring process to ensure compliance with the code, involving annual meetings between corporate management and unions to discuss implementation of the code, along with regular reports, lines of communication and acknowledgement by both parties to meet swiftly if possible breach of contract arises (EWCB 2000). Yet, when the water division of Hyder was sold in 2001, the global framework agreement became of limited value.

Identifying new labour opportunities

The challenge is to seize the opportunity afforded by the new management strategies or alternatively slogans of corporate responsibility, not lament their existence. The "jump", or progress, from the building or reinforcement of *national* bargaining to the achievement of *global* recognition may require the introduction of some new factors and strategies as well as a re-evaluation of some "old" national instruments.

Structural factors need to be highlighted as a reason for the new corporate responsibility climate. Certain structural developments appear to be conducive to corporate environmental

⁷⁰ Remark during the debate at the IFBWW committee meeting 15 May 2001 in Geneva, Switzerland.

and social responsibility in some sectors (Gereffi et al. 1994). Flexible specialisation, global commodity chains and what has been referred to as a thicker institutional network of international production including sub-contracting, joint ventures et. al. (Utting 2000). Where flexibility and innovation have become important for competitiveness in certain sectors, companies actively try to create new markets (Hirst & Zeitlin 1991), such as markets for environmental goods and services. Furthermore, new models of industrial organisation also require different relationships between firms. Certification, auditing and reporting related to environment and social issues are instruments that can play an important role, and management control in a broader sense, in the development of collaborative relations between numerous firms that make up the global value chain. And finally, new industrial production strategies, “just in time” delivery systems etc. also imply that storage capacity and thereby resistance to labour pressure has decreased substantially. When workers producing auto components in Norway go on strike, as they did in Norway in 2000, German auto production and autoworkers are affected after few days when parts are not delivered. MNCs are at the forefront of “production sharing”, a decentralised production process that sequences stages of manufacturing in different countries, while final assembly is performed in still another, to take advantage of low wages and benign regulatory environments (Gordon & Turner 2000). However, while the global value chain poses several challenges to labour, it also opens up for new space to organise and exercise collective actions.

International strategies have to be based on both “carrots and sticks” towards the multinationals and a delicate balance between them. One incentive for management in improving the consultation and improved information sharing with a global union movement would be that the unions in many cases have a better network of information channels than the management side. Multinationals usually respect national local legislation, but seldom exceeds it. This poses an additional challenge of portraying the success stories of global agreements were this leads to advantages for both parties and their constituencies. Most global unions argue that there are three approaches to strengthening union influence within multinationals: reaching direct global agreements; Codes of Conduct initiatives and finally pressurising pension fund investors. Yet, all these strategies actually require unions to convince employers about the benefits of a co-operative system. Access to information may be one advantage for employers, with additional benefits being a more committed workforce and “proper” working conditions used in campaigns and for marketing purposes.

Partnerships developed during the WSSD in Johannesburg may be a platform to pressurise companies further in demonstrating a real commitment to social responsibility by actual negotiations with labour and support for global framework agreements. While resources needs to be invested in convincing corporate managements about the benefits of agreements,

mobilisation of course also needs to be maintained. When German auto producers threatened to close down production in Norway under the strike mentioned above, German trade union mobilisation in support of striking Norwegian workers constituted the most important blockage to any such move in the shortage of international mediation and arbitration systems.

Public opinion campaigns should also be clearly related to issues raised in seminars where global representatives of the labour movement meet. Such campaigns are often used with the aim of enlisting support for specific issues from enterprises, consumers, politicians and the general public. The IUF pressurised companies such as Pepsi Cola, and Heineken from setting up joint ventures in Myanmar in view of the working conditions prevailing there. Similar campaigns were held in order to support Coca-Cola workers in Guatemala in the 80s.⁷¹ Such opinion campaigns may also be used to find solutions to local, or regional, disputes. The broad campaign for sanctions against South African products during apartheid was supported by major parts of the international trade union movement and is a good case in point. Another, more closely related to the IUF base is the campaign for a 40 hour week currently taking place in the Nestle Asia/Pacific region. The IUF also has a Campaign Fund for use in such circumstances.

Calling for boycotts of firms concerned has been a method used by several unions in this respect. Consumer pressure is becoming more important for unions and companies are becoming increasingly aware of their images in the face of fiercer international competition. Campaigns are often accompanied by co-ordinated letters of protest to target companies, articles in the press and other media and more lately the use of information technology. Sometimes, campaigns also aim at informing consumers of the conditions in which products are manufactured. This was the case of “Clean clothes campaign” for example, launched in several European cities. “Social labels” granted to companies that can prove that certain minimum standards are observed has also been discussed in various fora and constitute yet an example of methods to possibly be investigated further by the global labour movement

Loosely structured organisations or networks of unions or workers have emerged in some multinationals for example in the chemical, food, automobile and service industries. Others, known as “transnational networks”, link national, or more often local groups of vulnerable workers (ILO 1998). These networks often operate more like an environmental or consumer movement, and are often not limited to trade unions but also comprise representatives of churches, foundations, political movements and/or academic institutions with a radical vision.

⁷¹ The campaign took place in two stages (1979-81 and 1984-85) and aimed to protect a union, representing workers at a Coca-Cola bottling franchise in Guatemala from extinction through terror, including assassination of the union's leadership (Gallin 2001)

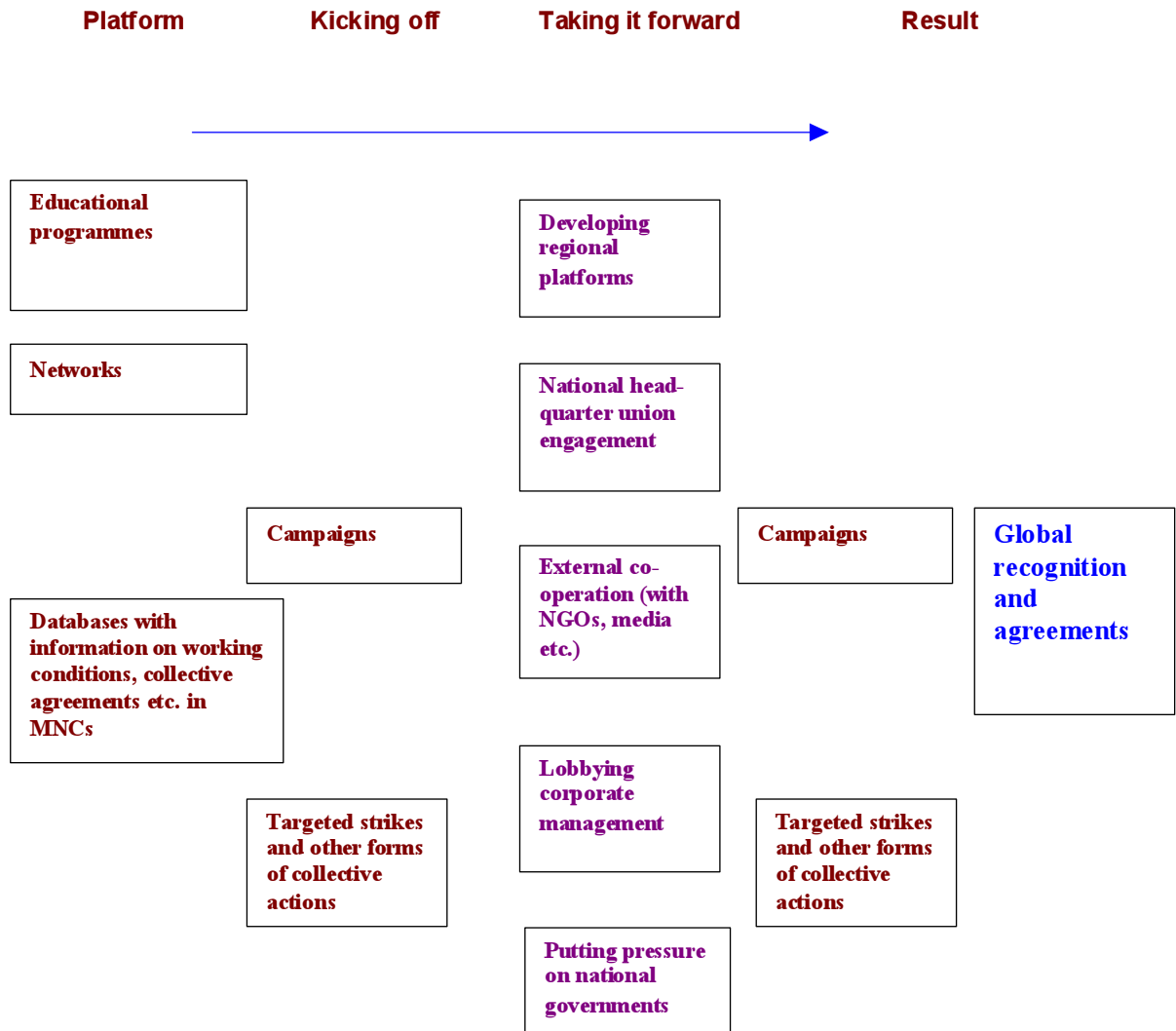
Politicians or members of government may be approached on specific issues. The Postal, Telegraph and Telephone International denounced for example the anti-union activities of the Sprint company to the American and Mexican labour ministers (ILO 1998). Lobbying may also be aimed at influencing a vote within government bodies or international organisations, such as the ILO. The campaign against Repetitive Strain Injuries⁷², raised for the ILO by the Latin-American unions in Nestle, is a good example. Such targeted lobbying is also consciously employed in general by the IUF in their multinationals and need to be pursued.

In the strategy document on workers rights and multinational enterprises the IFBWW draft some strategic tools, which can be applied when renegotiating the agreements. The most striking of these tools are the huge amount of insurance capital, which actually belong to the employees. Withdrawal of this capital, or other means of putting constraints on the disposition of these resources is bad business for management. With labour controlling approx. USD 17 trillion of workers capital in pension funds, labour has a new tool in order to influence the practices of multinationals and their ethical, labour and trading principles. Furthermore, strategic actions directed towards the vulnerable points of MNCs and their production chain may turn out more powerful than large-scale strikes.

Labour's challenge in the new global economy is to address both long-term and short-term instruments simultaneously in order to gain global recognition and agreements. The strategic use of sector specifics in union strategies does require from labour's side substantial resources and investments in analysis of the multinationals and their financial, organisational and political characteristics in order to draw up combat plans. On that basis, the development of educational programmes, networks and databases may be looked upon as a critical, but long-term investment in the promotion of labour standards. International campaigns and collective actions may be critical in sparking off a situation leading to a global agreement or global recognition of the union movement. However, in order to take this forward, tools such as networks, regional groupings, external alliances etc. are critical in order to effectively negotiate, implement and monitor such global recognition and agreements.

⁷² Health and safety issues have been subjects of debates at the European level for the past decade. Yet, there are thousands of workers who still suffer from RSI (Repetitive Strain Injuries) outside Europe.

International labour action



While success towards global framework agreements should be welcomed, the strategies and resources now invested by the unions in this area may in itself be interpreted as a sign of a reduced role for the state and of regulation by national governments and international institutions. Yet, while there has been

The "free-trader" Jagdish Bhagwati (2002:60) argues that since there in his view is little evidence of multinationals choosing to exploit lower environmental and labour standards, we should simply extend our key standards in the north to our firms abroad, on a mandatory basis: "do in Rome as Americans do, not as Romans do". That would assuage the fears of the environmentalists and of those seeking dignity and safety for workers abroad, without imposing serious constraints that these firms do not already impose on themselves.

limited success in international institutions for the establishment of core labour standards up to now, the struggle and campaigns will remain a priority for the labour movement. Similar

issues will be critical at the national level. While national governments will maintain that we should “motivate” our companies to show social responsibility abroad (as have been said by for example Norwegian prime ministers), governments have an obligation to more actively push and control that their national companies support their own national standards abroad and don’t breach the international rules and respect for human rights, including the core ILO labour standards. In the short term, this could imply lobbying and pressurising national governments to actually take the responsibility they have committed themselves to as national contact points for the OECD guidelines more seriously. The OECDs guidelines for multinational companies could, and should, be used far more actively by national governments. Hence pressure by strong unions in Europe and the US for example on their own national governments remain important in the further struggles.

The dominating belief in the market as solution to our global problems remains a major challenge in any further work for labour standards and agreements with multinationals. The classic economic doctrine holds

that international action to raise labour conditions would be futile, and even damaging. It

"The Rule of the Right is the result of a concerted long-term ideological effort on the part of identifiable actors. If we recognize that a market-dominated, iniquitous world is neither natural nor inevitable, then it should be possible to build a counter-project for a different kind of world" (Susan George 1997)

would strike against the “law of economics”. Susan George (1997) claims that the right internationally, has invested massive amounts of money and other resources in order to win the battle of ideologies. Sengenberger (2002) underline the need to invest resources in information and documentation about the political, economic and social dividends of labour standards. Labour research networks and alliances combining the forces of groups in the south and the north could play a valuable role in collecting data and information about multinationals as a basis for further strategies while also countering the ideological paradigm of existing economic theory.

The global framework agreements are supposed to be especially to the benefit of the workers in the south. While in Europe, there exists legislation and collective agreements on most of the subjects covered by the global framework agreements, the situation in the south is totally different with usually no information, consultation or works councils. Representation from the south in the negotiation of the global framework agreements, and consultation with southern unions on the strategies for the functioning of the agreements becomes important for these agreements actually to benefit southern workers. Likewise, information in local languages becomes important for the actual functioning of the agreements. In most of the agreements, the responsibility for disseminating information about the agreement lies in the hands of management, but also the unions will have to disseminate information about the expected functioning of the agreement on their side and in order to gain more legitimacy for and trust in

the agreements. The global framework agreements represent a major step forward for labour rights, but only the first step forward. Now the agreements will have to be tested out on reality and need to be followed up by further dialogue, bargaining and more agreements. Resources will need to be invested in proper monitoring of both the companies themselves and in order to set up systems to monitor and control subcontractors. When global agreements are followed up by more workers getting a real right to organise, more collective agreements being negotiated at the local level, more local agreements referring to the principles set out in the global framework agreements and less violations of labour rights, the agreements will have served their purpose. For most global framework agreements, it will be too early to assess their functioning. For the Polish workers who were recently dismissed without prior notice by Skanska in Germany following a strike, and thereafter forced to leave Germany as their working permits and visa expired, the Skanska global framework agreement may seem to have limited value. Yet, as with national collective agreements, the effects of global agreements will be determined by the nature of negotiation, work and struggle invested by the labour movement.

Concluding comments

Responding to the challenges of the new global economy requires new union strategies. Union efforts to cope with the global challenges range from the traditional to the highly innovative (Gordon & Turner 2000). The ability of the labour movement needs however to be analysed on the basis of the political resources that labour have at its disposal. Resources in this respect would be based on their internal capacity to wage transnational co-ordinated struggles, but also their external alliances and the broader networks.

Transnational union co-operation has become facilitated by the dwindling political divisions within the trade union movement, caused by the “collapse” of the East-West divisions and “cold war”. Furthermore, new sources of information and advances in technology offer unions new tools for co-coordinating their efforts and as such an under-utilised political resource.

Both the UN and UNCTAD have called for greater corporate responsibility for environmental and social issues in the global economy. The new focus of international institutions such as the UN, towards the social corporate responsibility of the business sector may be used to labour's advantage. The Global Compact, may in this respect have helped to make the

A resolution calling on energy multinational Unocal to adopt a workers' rights policy was supported by over 31 percent of the shares voting at the company's annual shareholder meeting in 2002. This is a significant increase over the votes cast for a similar motion last year. The resolution tabled urges the board of directors to adopt and implement a company-wide employee policy based on the ILO Declaration on Fundamental Principles and Rights at Work (including bans on child labour, forced labour, the right to organise and bargain). Unocal came under pressure from ICEM, national unions (AFL-CIO and PACE), and union controlled pension funds. In Britain, the Trades Union Congress (TUC) contacted over 100 pension funds and lobbied key investors. A number of large UK institutional investors, decided to vote in favour or to abstain.

distinct voice of labour heard in the sustainable development debate, while also having severe limitations when it comes to labour issues. The OECD guidelines with the establishment of national contact points may, and should be used more offensively.⁷³ However, in addition to the tools mentioned above, other new tools will be explored such as targeted and conscious use of workers' capital. The world's 300 largest pension funds, where many Global Union affiliates have influence, are heavily invested in the multinational firms. Over \$6 trillion are held by these funds (UNI 2001).⁷⁴

The UN Global Compact, which is neither a code of conduct nor an instrument like the OECD and union Guidelines, can be used to generate global social dialogue as well as policy dialogue (ILO 2001). It may become more difficult for such companies to refuse to talk with Global Union Federations and maintain the traditional practice of referring even serious trade union rights problems to the local level once they have entered into and accepted the Compact. The "door opening" function of the Compact may hence become central (ICFTU 2002). The trade unions' task is now to transfer the model of framework agreements to other companies, i.e. to challenge them to negotiate similar agreements. For those firms, which have already publicly announced that they support the UN Global Compact, this should not, assuming they are in earnest, be too difficult according to the IMF (Steiert et al 2002).

The volume and quality of social dialogue between GUFs and multinational enterprises has increased considerably in recent years.⁷⁵ Although much of it is informal, it is, essentially, a form of global union recognition and, therefore, an important new tier of dialogue that can lead to more formal industrial relations in the form of framework agreements. Formal or informal, this growing social dialogue is resulting in the resolution of many problems faced by unions at national level and supporting their organising and bargaining strategies. The Global Unions have also agreed to become involved in the Global Reporting Initiative (GRI), an effort to standardise reporting for companies in the areas of the environment, labour standards, and human rights. The social indicators developed for reporting purposes were in consequence improved, in particular in the area of industrial relations, based on the OECD Guidelines.

⁷³ A large number of cases have already been brought to NCPs, nearly all by trade union organisations. Several cases have been brought related to corporate conduct in non-adhering countries. TUAC is monitoring on an ongoing basis the activities of NCPs on the assumption that if governments don't take them seriously, companies are very unlikely to do so. However, although, overall, there has been an improvement in the functioning of NCPs, several have been barely functioning. The next few years will be critical in determining whether the Guidelines can be used to achieve a permanent change in government behaviour with respect to the implementation of the Guidelines (ICFTU 2002).

⁷⁴ The World's 300 Largest Pension Funds, AFL-CIO, 1999

⁷⁵ See ICFTU (2002b). There are now trade union representatives on the GRI Board and on the Stakeholders Council.

It is essential for unions to be well-informed and aware of general developments in the sector like shareholder prices, other take-overs and mergers, alliances, etc. Unions must recognise the importance of striking alliances with other stakeholder groups, such as NGOs, consumer groups et.al. who also feel the consequences of mergers and take-overs on prices, quality of products etc. However, the differentiation of the MNC sector itself undermines one any single battle plan. The diversity of the various industrial unions and the ITS makes company and sector approaches more critical and information about the MNCs themselves more important as baseline for strategy-making. Beyond political and institutional barriers, there is a problem of lack of information about multinational employers, and their firms such as where it produces, how much it can afford, investment plans, and et.al. in order to determine where it may be vulnerable.

The classic goal of international labour is international bargaining across an entire corporation, but other goals are likely to be more appropriate in Ramsay's view (2000).⁷⁶

These may include bargaining at divisional level or maintaining an industry bargain at a more localised level, where MNCs are tied to producing in the market. Information sharing may on this basis be more effectual in guiding what largely remain local struggles. In truly global operations on the other hand, such as construction machinery, or industrial chemicals, more obvious advantage accrue to closer

Global actions, whether in relation to international institutions or national governments, in the form of campaigns, the use of workers' capital and other leverage on enterprises to respect rights, or in the form of global social dialogue assume greater relative importance than in the past. The capacity to effectively deal with a company at global level, at the level that it is making priorities and making decisions, is becoming an indispensable element of effective national trade union strategies. As company planning, strategy, and operations become more and more international, one has to be able to deal effectively at that level, in order to support national trade union actions and agreements. One important way to reinforce the position of national unions is through social dialogue involving companies and sectors with Global Union Federations. A visible sign of the growth of global social dialogue is the increase of the number of framework agreements, from two to twenty in six years. (ILO 2001)

international links. Meanwhile, dealing with highly fluid systems for exploitation of cheap labour, such as in the garment sector, transnational bargaining would be more difficult. In the case for example of Nike, which only employs about 10 percent of the people who are involved in producing their products, national and international response will have to rely far more on the strategies and resources of Global trade union federations. The same would be valid for a company like Coca-Cola. In these cases, the global unions in turn would have to rely far more on external alliances with governments and NGOs.

In the near future, massive information dissemination and mobilisation needs to be done towards strong national unions in the corporate head quarters. Without their help, the global union federations will be far worse off in the struggle for recognition and agreements on

⁷⁶ The following paragraph summarises to a large extent the viewpoints presented by Ramsay (2000).

labour standards in multinationals companies. This is a challenge for the global union movement, but also for the national centres and confederations. In this respect, initiatives such as those by the IMF to address all affiliates with information about global framework agreements may serve as a valuable basis.⁷⁷

The efforts to promote labour standards are constantly undermined by the downward pressure on costs associated with global competition, led by the very same companies often that sign up to corporate codes of conduct. The global framework agreements may offer far more for genuine international trade unionism, than the existing corporate social responsibility, but also no easy task to promote. Not everyone, doubtless, will be happy with the global framework agreements. But while there are those for whom formulations and solutions do not go far enough, and there are those who are worried about implementation and control, global framework agreements are the best tool for labour to date and in many cases the first time the labour movement has managed to secure management's commitment to labour standards at all. While still few, we are likely to see far more agreements emerging in multinationals in the near future. And while considerable challenges remain, and resources are required, in order to make the global framework agreements into powerful and viable tools for global labour advances, they are definitely the *results* of successful labour strategies to date.

⁷⁷ The information sent out highlights also the key role of the national unions: "The union(s) in the home country would have to play a key role. Unless the IMF is asked to form an international negotiating committee, it would fall to (the) home country union(s) to approach the company." (IMF letter to affiliates, 29 April 2002)

Appendix 1 Review and monitoring mechanisms in Global Framework Agreements

	REVIEW	MONITORING
Accor	The operations of the agreement are reviewed annually at the company European Works Council.	No specific mechanism or institution to monitor the practice of the agreement.
AngloGold	ICEM & Anglo Gold agree through their framework agreement to meet as often as is necessary, but at least annually, to review past practice and to preview future plans relevant to their interests, and to discuss the terms of this agreement.	A sub-committee will be established to consider plans and proposals placed before it by either party following any alleged breach of accepted standards of conduct that could not be resolved at the level of local and national operation. The General Secretary of the ICEM and the Chief Executive Officer of AngloGold (or their designated nominees) are responsible for the administration of the agreement.
Ballast Nedam	Management and labour (international and national union) meets once a year to review the implementation of the agreement	Reporting system for contravention. Trade unions or employees representatives report breaches on the agreement to the company's executive board, which will examine the issues and introduce suitable measures. An officer will be appointed to be responsible for the application of the agreement.
Carrefour		No mechanism for monitoring
Chiquita	A joint review committee to oversee the application of the agreement and discuss other areas of joint concern, to meet twice a year	The Review Committee will monitor the application of the framework agreement. In case of a major conflict the review committee will include a representative from the local union and from local management.
DaimlerChrysler	The corporate management will regularly report to and consult with the international employee representatives on social responsibility of the company and the implementation of these principles.	The senior managers of each business unit are responsible for ensuring compliance with these principles; they will take appropriate measures in respect of implementation. They will designate contacts to whom business partners, customers and employees can turn in case of difficulty. Any complaint brought to the managers' attention in this way shall not result in adverse consequences for the complainant. Corporate Audit will examine compliance with the principles in its reviews and include them in the audit criteria. In addition, Corporate Audit has established a general open line, which shall be the point to accept allegation of non-compliance with these principles at a decentralized level. Upon indication of violation, Corporate Audit will take appropriate action.
Danone	The Information and Consultation Committee, (in operation since 1986) meets every year to discuss the latest developments and future plans for the company. Issues of common concern such as employment, working conditions, business plans, etc are discussed.	There is no specific body to secure the implementation of the agreement, only a confirmation that the different aspects of the agreement must be monitored to ensure an effective implementation. Discussions and evaluations in EWC.
Endesa	Global council where management meets with union representatives from all countries where Endesa has operations (at least every 6 months). Focus on analysis and mutual exchange of information concerning the labour area, as well as the short and medium-term outlook, and specifically as regards the evolution of employment. ICEM has the right to send one representative to existing union-management meetings in Spain whenever they deal with topics that have an international dimension.	

ENI	Company representatives will meet the signatory trade union organisations every year for information, consultation and dialogue. During the meeting, Eni will present information on: the situation of the group at world level; the performance and prospects of its operations; the industrial relations situation in the various countries and any problems arising; and the company's actions and programmes in the area of corporate social responsibility, including health and safety at work.	Eni will monitor the application of the agreement's principles and will directly intervene in the event of violations or irregular situations. Trade union organisations will be involved at local level through local representatives or, in cases where there are no representatives, through the organisations which signed the agreement. The contents of the agreement and examples of good practice will be disseminated through information, training and research activities
Faber-Castell	A committee will monitor the implementation of the agreement. The Monitoring Committee will be equally composed of representatives from Faber-Castell and IG Metall/IFBWW. It will meet at least every two years and will aim to hold its meetings at production and sales companies premises. The members of the committee shall receive all relevant information in order to carry out their mandate.	
Fonterra	Both parties appoint 5 people to a review committee, which is to meet annually to review the implementation of the agreement. The aim is to jointly agree to actions that will ensure compliance with the agreement and further develop good employee relations. The review committee may also discuss the company's financial positions, business activities and other mutual interest.	Both parties will provide information relevant to the observance and implementation of the agreement. Extraordinary meetings may be called by either party if a situation arises that requires urgent action.
Freudenburg	In order to inform each other of the implementation of the agreement and any issues in connection with it as well as to have an exchange of experience, consultations shall take place once a year with representatives of the Freudenburg Board, ICEM and IG BCE. The consultations will include monitoring the agreement as well as issues of labour relations, occupational safety and health and environmental protection	Freudenburg has established a consultation group with a mandate to monitor the global framework agreement. Consultations take place once a year. Direct contact between the parties in case of conflicts in order to seek a common solution. ICEM monitoring
Hochtief	Questions of interpretation will be clarified jointly between HOCHTIEF and the IFB WW and the IG BAU. The trade unions acknowledge that the Code is a self-imposed obligation on the part of HOCHTIEF. They undertake to actively support HOCHTIEF in implementation and state their readiness to cooperate actively in remedying any contravention of this agreement and in preventing any future contravention.	Should the IFBWW, the IG BAU or the employees' representations become aware of any contravention of the spirit or the letter of this Code of Conduct, they will report this contravention to the Executive Board of HOCHTIEF. The board will examine and introduce suitable measures to remedy the issue.
IKEA	A joint IKEA- IFBWW meets twice a year. IKEA to inform unions about progress with implementation. The group is to discuss general information and experiences within the subjects of the agreement, which may indicate that the forum may go beyond solely reviewing the agreement.	Both parties will report contraventions to the agreement into the joint group, which is responsible for reviewing matters and suggesting appropriate measures. Monitoring group meeting twice a year, preferably at suppliers premises, and covers suppliers affiliates as well as IKEA-owned affiliates.
Merloni	The company must report on the implementation and status of the agreement at the annual meeting of the EWC and at national information meetings	National joint commission provided for by Enterprise Agreement
Norske Skog	The signatories to the agreement will hold an annual meeting in order to review the principles, practice, effectiveness, and impact of the agreement. The aim shall be to exchange views regarding the current situation, and jointly develop further good working relations in Norske Skog.	Both parties accept that effective local monitoring of this agreement must involve the local management, the workers and their representatives, health and safety representatives and local trade unions. To enable local representatives to play a full role in the monitoring process, they will be given adequate time for training and involvement in the monitoring process. The company will ensure that local representatives are provided with information, access to workers, and rights of inspection necessary to effectively monitor compliance with this agreement. In the event of a complaint or an infringement of the agreement the complaint should be raised with the local site management. If the complaint is not resolved with local management, it should be referred to the appropriate national union who will raise the issue with the company's regional president. If still unresolved, the complaint will be referred to the ICEM Brussels office who will raise the matter with the company's Corporate Management.

Appendix 2 Abbreviations

EWC:	European Works Councils
ETUI:	European Trade Union Institute
FDI:	Foreign Direct Investments
ICEM:	International Federation of Chemical, Energy, Mine and General Workers' Union
ICF:	International Chemical Federation
ICFTU:	International Confederation of Free Trade Unions
ILO:	International Labour Organisation
IUF:	International Union of Food, Agricultural, Hotel, Restaurants, Catering, Tobacco and Allied Workers' Association
ITCI:	The Textile and Clothing International
ITF:	International Transport Federation
ITGLWF:	International Textile, Garment and Leather Workers' Federation
ITS:	International Trade Secretariat
ILO:	International Labour Organisation
IMF:	International Monetary Fund
IMF:	International Metalworkers Federation
ITS:	International Trade Secretariats
IUF:	International Union of Foodworkers
MNC:	Multinational Companies
NECIC:	Nestle Europe Committee for Information and Consultation
NGO:	Non-governmental organisations
UNI:	Union Network International
UNICE:	Union of Industrial and Employers' Confederations of Europe
WCC:	World Company Councils
WTO:	World Trade Organisation

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