

## **PROFESSOR'S FACT SHEET ON INTERNATIONAL FRAMEWORK AGREEMENTS (also known as GLOBAL FRAMEWORK AGREEMENTS )**

### **What is an international framework agreement?**

An international framework agreement, also known as a global framework agreement, is a private contract between a multinational enterprise (MNE) and a global union federation (and sometimes an affiliated national union as well). According to a recent estimate by the Business and Human Rights Resource Center <http://business-humanrights.org/en/freedom-of-association-0/issue/positive-company-initiatives/international-framework-agreements> about 100 MNE's have entered into these agreements over the past 20 or so years, and they include the following multinational enterprises (listed here alphabetically):

- Ability, Accor, Adecco, Aker, Allianz, AngloGold, Antara, Arcelor
- Ballast Nedam, Barclays Africa, BMW, Bosch, Brunel
- Carrefour, Chiquita, Club Med
- DaimlerChrysler, Danone, Danske Bank
- EADS (European Aeronautic and Defense), EDF, Elanders, Electrolux, Endesa, Eni, Euradius
- Faber-Castell, Falck , Fonterra, Ford, France Telecom, Freudenberg,
- G4S, GDF SUEZ, GEA
- H&M, Hochtief
- ICOMON, IKEA, Impregilo, Indesit, Inditex, ISS, Italcementi
- Kelly Services
- Lafarge, Leoni, Lukoil
- MAN, Manpower, Metro, Mizuno
- NAG, Nampak, Nordea, Norske Skog
- Olympia Flexgroup, OTE
- Petrobras, Portugal Telecom, Prym, PSA Peugeot Citroën
- Quebecor
- RAG, Randstad, Renault, Rheinmetall, Rhodia, Röchling, Royal BAM
- SCA, Securitas, Shoprite Checkers, Skandia, Skanska, SKF, Sodexo, Schwan Stabilo, Staedtler, Statoil, Systema
- Televisyen Malaysia Berhad, Takashimaya, Telefonica
- Umicore, UPU, USG People
- Vallourec, Veidekke, VolkerWessels, Volkswagen
- Wilkhahn

As you can see, there is a heavy representation of European-based companies. Nonetheless, some of the companies are other than European – such as Ford, Manpower, and Kelly (the US), Ability, ICOMON, and Petrobras (Brazil), Quebecor (Canada), Lukoil (Russia), Takashimaya (Japan) and Barclay's South Africa. One of

their more common traits of MNEs entering into IFA's is their exposure to customer attitudes and preferences.

**I'm familiar with at least some of these multinational companies, but what about the other party to these IFA's? Can you say a bit more about what a global union federation is?**

A global union federation, sometimes referred to as a "GUF," is an umbrella organization joined by affiliated national unions from various countries around the world. What brings these unions together is typically their common industry or sectoral focus. Among the world's leading GUFs are:

- Industrial, a federation of unions in sectors ranging from aerospace, automotive, and base metals, to mining, tires, and textiles, among others;
- UNI, the Global Union – a federation of service employee unions, with members working in building cleaning and maintenance, finance, gaming, security, and tourism, among other areas  
<http://www.uniglobalunion.org/about-us/global-agreements>;
- BWI (the Building and Wood Workers' International) – a federation of unions in the sectors of building, construction, wood, forestry, etc.

As federations of generally autonomous national unions, these umbrella organizations typically have only limited power over their national affiliates, but on topics involving relations with multi-national enterprises, the GUFs speak and act on interests vital to their national affiliates.

**What do global framework agreements typically provide?**

There are two fairly universal features of IFA's. The first is that they are negotiated between an MNE and one or more labor organizations, rather than drawn up unilaterally by the MNE (perhaps after consultation with outside organizations). The second is that they explicitly recognize the signatory labor organizations as an authentic voice representing the interests of employees. In addition to these basic features, many IFA's incorporate conventions of the ILO, often the core conventions.

Beyond this, IFA's vary in scope and content, though many revolve around the same cluster of core subjects. The one-page fact sheet by Professor Michael Fichter offers one overview, and still another comes from a fact sheet from the International Organization of Employers, our next reading.

## What about some examples of specific IFAs?

In addition to the previous answer, this Lesson's last assigned reading includes, among several things, the full text of the international framework agreement between G4S, a multinational firm engaged in building security services, and "UNI" and the "GMB," two labor organizations.

One more point of information:

For students who may be interested in seeing other IFA's as well, a good source is found at <http://www.global-unions.org/+framework-agreements-+.html>. A very quick sampling of specific IFAs includes those entered into by the following MNE's:

- 1) Faber-Castell (pencils)  
<http://www.bwint.org/default.asp?index=45&Language=EN>
- 2) IKEA (furniture and household goods)  
<http://www.bwint.org/default.asp?index=46&Language=EN>
- 3) Leoni (wires and cables) <http://www.industrial-union.org/sites/default/files/uploads/documents/GFAs/Leoni/leoni-gfa-english.pdf>
- 4) Volkswagen (auto) -- agreement on temporary work(ers) – reached in 2012 and found at <http://www.industrial-union.org/sites/default/files/uploads/documents/GFAs/Volkswagen/pr-ecarious-agreement-Nov-2012/charta-der-zeitarbeit-englisch-final.pdf>  
basic agreement from 2002 found at <http://www.newunionism.net/library/agreements/IMF%20Metal%20and%20Volkswagen%20Global%20Framework%20Agreement%20-%202002.pdf>

-End-