

Fact Sheet on Global Framework Agreements (GFAs)

Since the early 1990s, global framework agreements (GFAs) have developed as overarching instruments towards securing and maintaining international standards and workers' rights. They are being used to address the challenge of transnational solidarity by aggregating the interests of diverse groups of workers, firstly, around a border-crossing organisation—the Multinational Enterprise (MNE)—and ultimately, throughout a global value network. As such, GFAs are more far-reaching policy instruments than any previous attempts at MNE-specific policies by transnational unionism.

What exactly are Global Framework Agreements and how have they developed?

Since the early 1990s, after the end of the Cold War, Global Union Federations (GUFs), the sectoral organizations of international unionism, have crafted Global Framework Agreements as a labour relations-based alternative to CSR based unilateral and voluntary codes of conduct. Their primary goals were to gain recognition from MNEs as legitimate negotiating counterparts, initiate social dialogue and successively, by strengthening unionization, influence HR practices across the global economy.

By the end of 2014 over 100 Global Framework Agreements were in force. This is quite remarkable considering that prior to the 1990's, all attempts by international unions to be recognized as legitimate representatives of labour had failed. And while each agreement contains language specific to the signatory enterprise, there are basic characteristics that define a GFA. In principle, a GFA is a private contract between a Multinational Enterprise and at least one Global Union Federation. A GFA always includes the following elements:

- It guarantees the mutual recognition of **actors** on both sides, i.e. representing labour and management
- It provides for **processes** of conflict resolution, either through joint investigation and decision-making, or through an internal corporate process.
- The **content** of a GFA is designed to set basic standards and recognize workers' rights. At a minimum, a GFA will be based on the ILO core labour standards, i.e. freedom of association and collective bargaining, no forced or child labour, no discrimination. Many GFAs go beyond this to include additional ILO conventions such as working time, pay, health & safety.
- Finally, a GFA defines an organizational domain or **arena** within which its provisions are valid. Although the boundaries of this arena are often fuzzy, it generally extends beyond the MNE that signed the agreement to cover its suppliers, sub-contractors and other business partners as well, i.e. the whole of its Global Value Networks.

What motivates enterprises to enter into negotiations for a GFA?

For the enterprise, a GFA is usually regarded as a means of extending and bolstering its commitment to CSR. More specifically, some enterprises regard a GFA as means of enlisting unions in their efforts at risk management. Then again, as enterprises expand across national borders, some of them see a need to have a global approach to human resource management. For these enterprises, GFAs may represent an initial step toward enterprise-level global labour relations. Finally, there are numerous examples of employers who showed any kind of motivation only when sufficiently pressured by labour to negotiate.