



Global Industrial Relations? Framework Agreements and the Regulation of International Labor Standards

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Abstract

In response to an absence of effective methods of international labor standards regulation, International Framework Agreements (IFAs) have emerged as a strategy promote labor rights in transnational supply chains. This article analyzes IFAs, with particular attention given to their capacities to move beyond the weaknesses of unilateral corporate codes of conduct. By facilitating social dialogue between transnational corporations and global union federations, IFAs hold potential to involve unions and workers in transnational labor standards regulation. Yet they are weakened by a top-down approach that needs greater connection local union organizing. To move beyond their limitations, they must more effectively combine a transnational focus with traditional union strategies such as organizing and collective bargaining.

Keywords

global political economy, international labor standards, international framework agreements, global unions

Growing corporate power, the geographic fragmentation of production, and the predominance of neoliberal policies have challenged and undermined traditional methods of labor market regulation. Globalization processes have produced a downward pressure on labor standards that neither nationally based labor laws nor international institutions such as the International Labor Organization have been able to effectively counter. Thus, unions and other civil society organizations have pushed for new approaches to the regulation of labor standards, creating pressures for the emergence of new forms of transnational labor rights regulation—those that seek to either

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supplement or construct an alternative to traditional legislative mechanisms rooted in national and subnational systems of labor law. Examples of such strategies include calls for “social clauses” in international trade agreements, the formation of transnational labor rights advocacy networks involving nongovernmental organizations (NGOs), and privatized form of labor regulation such as corporate codes of conduct. International Framework Agreements (IFAs)—negotiated arrangements between global unions and Transnational Corporations (TNCs)—have emerged in this context as a method to promote international labor standards across transnational supply chains.

At the time of writing, there were close to fifty IFAs covering over four million workers. The first IFA was negotiated between the food company Danone and the International Union of Foodworkers (IUF) in 1988. In 1995, the second IFA was reached between the IUF and the hotel chain ACCOR. The negotiation of IFAs accelerated after 2000, extending coverage to companies in natural resources, food, manufacturing, telecommunications, and retail sectors. As they are oriented toward promoting negotiation and dialogue between TNCs and unions, they have been promoted by some Global Union Federations (GUFs) as a strategy to overcome the many weaknesses of corporate codes of conduct, which are largely rooted in unilateral, corporate-driven approaches to labor standards.¹ Some industrial relations researchers suggest that because of the role of IFAs in bringing TNCs and GUFs into a process of negotiation, they may hold the potential to create a model for industrial relations in the global economy, to support collective bargaining in TNC supply chains, and to connect global union federations with local organizing (Hammer 2005; Riisgaard 2005; Wills 2002). The emergence of IFAs thus raises key questions regarding transnational labor rights regulation. In what ways do they overcome the weaknesses of unilateral corporate codes of conduct by integrating worker organizations into the process of labor rights regulation? As corporate codes are generally based on a model of labor rights regulation that accords workers at best a passive or marginal role in monitoring and enforcement (Esbenshade 2001), do IFAs hold the capacity to break from this mode? As a strategy advanced by global unions oriented toward promoting worker empowerment by facilitating unionization, to what extent do IFAs create an effective worker-centered form of regulation for international labor standards?

I begin with a brief discussion that identifies key distinctions between IFAs and unilateral corporate codes of conduct, and then proceed with a more detailed study of a selected sample of IFAs from several industries with global supply chains. The analysis focuses on three aspects of labor rights regulation through the framework agreements. First, what are the labor rights principles that underpin the agreements? Second, how are these principles implemented and enforced? And third, what are the capacities for worker empowerment in these processes? I conclude by raising potential strategies to further advance a worker-centered approach to transnational labor rights regulation in the global economy.

Globalization and the Regulation of Labor Standards

Growing concerns over labor standards have emerged in relation to the combined pressures of the transnational reorganization of production processes and the predominance of neoliberalism as a model of labor market regulation. The geographic fragmentation of manufacturing has produced transnational production chains with labor intensive processes emerging in labor markets where labor costs are relatively low and where enforcement of labor legislation is relatively weak (Ross 2006). These production chains are characterized by a “concentration without centralization” with Northern TNCs retaining control over decentralized supply chains (Harrison 1994). Transnational production chains include working conditions characterized by excessively long hours and below-subsistence wages, as well as repression of workers’ efforts to unionize (ICFTU 1999).

State strategies to promote “labor flexibility” through the transition to neoliberal labor market polices have sought to increase workers’ exposure to market forces by reducing labor rights, eliminating mechanisms of social security, and promoting individual entrepreneurialism (Lévesque and Murray 2002; Peck 2001). At the level of the global economy, neoliberalism has been fostered through multilateral trade agreements, which have facilitated the transnational expansion of production chains (Chambers and Smith 2002; Clarkson 2002). International financial institutions such as the World Bank and International Monetary Fund have promoted the spread of neoliberal policies into the economies of the South through structural adjustment programs (Leiva 2006; Yaghmaian 2002). The combined dynamics of capital mobility, the transnational fragmentation of production, and neoliberal policies contribute to what has been termed the “race to the bottom,” or a “harmonizing down” of labor standards in the global economy where workers are left without an effective regulatory framework to protect and advance labor rights (Ross 2004; Wells 2004).

Moreover, the regulation of labor standards has not been effectively integrated into the institutions that govern the global economy. Whether due to opposition to “social clauses” within international financial institutions, or weak efforts to create linkages between labor rights and trade such as the labor standards side agreement to NAFTA, the promotion of labor rights is largely marginalized (Elliot and Freeman 2003; Haworth and Hughes 1997; Prasad et al. 2004; Seidman 2004). While the primary international institution designed to govern international labor standards—the International Labor Organization—creates a normative context to promote international labor standards, it provides no means to ensure these norms are effectively adopted and implemented (Thomas 2009). One of the key challenges in regulating labor standards in the global economy remains in developing mechanisms that include effective strategies for implementation and enforcement. International Framework Agreements have emerged as a transnational labor rights strategy in this general context.

Before analyzing the IFAs, I briefly outline key points of distinction between these agreements and unilateral corporate codes of conduct.

Privatization of Labor Rights Regulation

Privatized forms of labor standards regulation have emerged in the context outlined above as an alternative to regulation through nation-states and international institutions (Block et al. 2001; Murray 2004; Wells 2006). Transnational labor activism by NGOs and labor coalitions has pressured transnational corporations to adopt codes of conduct—policies that establish labor standards guidelines for suppliers (Carty 2004; Connor 2004). Since the mid-1990s, many companies with transnational supply chains have developed such codes as part of broader programs of Corporate Social Responsibility (CSR) (Rivoli 2003; Seidman 2005).² The codes are designed to construct minimum labor standards for their workforces. They are self-regulatory and do not involve government intervention. They apply to specific firms or groups of firms, rather than all workers within a region or state. Where earlier codes were very general statements of principle, some of the more advanced codes now establish monitoring and information dissemination practices, as well as processes for NGO engagement, as corporations attempt to present a public image that identifies the interests of the corporation with social awareness.³

As a form of privatized labor standards regulation, the scope, content, and practices embodied within corporate codes vary considerably (Reich 2005). The stronger examples of codes generally build on the core labor rights of the International Labor Organization, bind suppliers to local labor legislation, involve some form of third-party auditing, and include engagement with stakeholders such as labor rights NGOs to give legitimacy to CSR initiatives.⁴ They are largely rooted in establishing a set of “protective” labor standards, outlining standards and principles but not promoting processes for worker engagement. Esbenshade (2001, 98-99) defines this method of regulation as a “social accountability contract”: a pact based on relationships between employers, contractors, NGOs, and sometimes governments, with workers having a minor or even passive role.

Studies of corporate codes have identified fundamental weaknesses in their method of privatized regulation, in particular due to their voluntary nature, the lack of consistency in content, and ineffective enforcement mechanisms (Doane 2005; Pearson and Seyfang 2001). Private codes are supported by the assumption that if a company is involved in developing and implementing a code, they are more likely to follow it. Due to their voluntary nature, however, if companies fail to effectively enforce a supplier code of conduct, there is no regulatory mechanism to compel them to do so (Ross 2004; Weil and Mallo 2007; Wells 2004). Thus, even in the case where a code is adopted, violations may persist within the supply chain. As one representative from a labor rights NGO stated, “[j]ust because it is on the books, doesn’t mean it’s disseminated, or implemented, or enforced.”⁵

The lack of regulatory consistency creates great variation in the overall effectiveness of the voluntary approach. Companies may establish their own priorities in terms of which violations are to be addressed, and may design their own strategies for action in dealing with noncompliant vendors, ranging from severance of the relationship to forms of remediation and/or education. Engagement with NGOs in the operationalization of

corporate codes—for example through auditing and public disclosure practices—is another area of contention. While some argue that NGO engagement may create the potential to increase corporate accountability, Wells (2007) illustrates that NGO involvement in the monitoring process remains “too weak for the job” as TNCs retain high degrees of control over the terms engagement. Because of the top-down orientation and the ways in which corporate codes exclude workers from monitoring and implementation processes, Esbenshade (2001, 99) argues that this approach to labor rights regulation constitutes a “new paternalism” in labor relations at the global level based on the assumption that workers are best protected by corporate practices rather than self-organization.

These critiques of corporate codes have created pressures for alternative models of transnational labor regulation. For trade unionists, a fundamental weakness of corporate codes lies in the lack of worker involvement in their design and implementation. IFAs have emerged as a transnational labor-rights strategy to counter this fundamental weakness of unilateral codes. A key question raised in what follows is do IFAs create a means to effectively break from both the unilateralism and paternalism of corporate codes?

Method

The analysis is based on in-depth interviews conducted between June 2007 and October 2008 and on a review of forty-seven International Framework Agreements that were negotiated between 1988 and 2007. Interviews ($n = 16$) were conducted with representatives from Global Union Federations (four), labor rights NGOs (seven), and CSR departments in companies with transnational supply chains (five).⁶ The IFAs were collected from websites of Global Union Federations or were provided by interview participants upon request. The analysis of interview data and IFAs was supplemented with an analysis of documents collected from the TNC and NGO representatives that participated in the interviews. These included corporate codes of conduct from the participating TNCs and documents outlining labor rights education, training, and monitoring practices developed by the participating NGOs.

In constructing a framework for the analysis, I utilize Rodriguez-Garavito's (2005) differentiation between “*protective*” rights—those that provide basic workplace protections and minimum standards—and “*enabling*” rights—those that promote practices that engage workers in the defense of their rights, for example freedom of association and collective bargaining (see also Esbenshade [2001]). I argue that for IFAs to contribute to the development of a system of worker-centered transnational labor rights regulation, they must be oriented toward the promotion of enabling rights. The extent to which they do so is a key focus in what follows.

Moving Beyond Unilateralism

International Framework Agreements (IFAs) have emerged in recent years as a key alternative to corporate-driven, unilateral regulatory processes (Hellmann n.d.). They attempt to present an alternative process by constructing regulatory arrangements that

involve both companies and unions, and that provide a framework for establishing working conditions in supply chains that are based on international labor standards developed through the ILO. They have been described as a mechanism to promote unionization, collective bargaining, and social dialogue between TNCs and workers' organizations (Miller 2004; Riisgaard 2005; Stevis and Boswell 2007). Global union federations have recently begun to pursue the negotiation of IFAs, rather than pressure TNCs to adopt codes of conduct, because of the bilateral nature of the agreements. Their emergence raises key questions regarding transnational labor rights regulation. Specifically, to what extent do they overcome the weaknesses of corporate codes of conduct? Do they provide, as some suggest, an effective model for transnational labor rights regulation?

Like corporate codes, IFAs include "protective" rights based on the international labor standards of the ILO and that bind their signatories to local labor laws. In contrast to unilateral codes, however, IFAs attempt to construct an ongoing relationship between TNCs and global union federations by establishing a negotiated set of standards that apply to the company and all its suppliers across a supply chain. They do not replace national and/or local-level negotiations between workers and supplier companies, but rather provide a framework through which local-level agreements may be negotiated and a minimum floor upon which local-level agreements may build. In other words, while the framework agreement is negotiated by the TNC, its aim is to provide a beginning point for union organizing and collective bargaining at the local level. Global unions that have pushed for framework agreements consider them as a means to secure leverage in local organizing efforts, as in principle the agreements commit the TNC to ensuring that all companies in a supply chain adhere to labor rights principles that include freedom of association. Hammer (2005) notes that IFAs are somewhat uneven in terms of the extent to which they aim to support local-level collective bargaining in supply chains, however, distinguishing between "bargaining" agreements and "rights" agreements. Rights agreements provide a general framework for the establishment of core principles (the core labor standards of the ILO, for example), while bargaining agreements contain more detailed procedures regarding labor-management meetings, and address a broader range of issues than those covered by the core labor standards. Bargaining agreements tend to be found in sectors where union strength has historically been high such as industrial manufacturing, whereas rights agreements are more likely where union strength is uneven, such as food and hospitality services.

A key weakness to corporate codes discussed above is the lack of worker engagement in the process of labor rights regulation. Building on the distinction between "protective" and enabling rights advanced by Rodriguez-Garavito (2005), the following analysis focuses primarily on those processes that may be seen as stemming from "enabling" rights. A review of the forty-seven framework agreements revealed four categories of practices embedded within IFAs that are intended to promote worker engagement in the process of labor rights regulation: specifically practices aimed at information dissemination, workplace monitoring, disputes resolution, and worker

representation. To facilitate a more detailed analysis of these practices, I selected a sample of ten framework agreements, out of the total forty-seven (see Table 1). Two agreements per Global Union Federation were selected to facilitate a comparison across sectors/industries covered by IFAs. The selected IFAs cover the following sectors: furniture and building materials, agriculture and food processing, automobile manufacturing, garment production, telecommunications, and energy. In evaluating the selected sample, particular attention was paid to the capacities of the agreements to bring workers into the process of labor rights regulation. To what extent do they constitute a shift from a protective approach to labor rights to one based on empowerment?

Information dissemination requirements of IFAs focus primarily on strategies aimed at suppliers and employees, whether unionized or not, in transnational supply chains. Like a collective agreement, IFAs commonly require an employer to provide written notice of the agreement and its provisions to all covered employees. This includes providing notice of the agreement in the workers' first language. In addition to providing workers with information regarding their rights under the framework agreement, some agreements include commitments for employers to make other kinds of workplace information available to workers, for example information regarding skills training and workplace development.⁷ A second level of information dissemination involves informing suppliers of their obligation to abide by the terms of the agreement. This is a significant step in promoting corporate accountability for labor standards, as TNCs often claim that the fragmentation of production sites through subcontracted supply chains creates barriers to preventing labor standards violations. Provisions in an agreement that bind a TNC to informing suppliers about their obligations under the agreement are thereby a step toward ensuring that both suppliers and the TNCs themselves are accountable for working conditions in transnational supply chains. For example, the framework agreement between UNI and Telefónica states:

. . . [a]s Telefónica considers the respect for workers rights mentioned in this agreement are to be an element of progress in the industrial relations, the company will tell the companies that would like to provide contracts and services the need to adhere to these principles.

As the agreements are negotiated by the TNCs generally without involvement of supplier companies, and as many production sites in supply chains are nonunionized and therefore do not have a direct connection to the Global Union Federation that has been a partner in negotiating the framework agreement, such provisions provide a mechanism of assurance that suppliers of nonunionized production sites are aware of their obligations under the agreement.

Workplace monitoring is guided by two processes through the IFAs. The first refers to relationships with between the global unions and TNCs regarding the implementation of the agreement. Joint responsibility provisions in most framework agreements establish a process for regular meetings of monitoring groups composed of

Table 1. Framework Agreements and “Enabling” Rights

Company/Global Union	Sector/Industry	Information Dissemination	Workplace Monitoring	Disputes Resolution	Worker Representation
IKEA/BWI	Furniture	Information re: agreement to workers	1. IKEA-established “compliance organization” called: Trading Service Office. 2. Company/union meet two times per year.	Global Compliance and Monitoring Group	Freedom of Association
Lafarge/BWI	Building materials	Company will provide info re: this agreement in written or verbal form in countries where applicable.	Group of company reps and GUF’s will meet once a year or when necessary to follow up and review the agreement	“Differences arising from the interpretation or implementation of the agreement examined jointly”	Freedom of Association
Chiquita/IUF	Agriculture	Parties commit to publicizing agreement in all company’s banana operations in Latin America	Requires suppliers, contract growers, and joint venture partners to provide reasonable evidence that they respect national legislation and the Minimum Labor Standards outlined in the agreement.	Joint Review Committee to oversee the application of the agreement. In case of a major conflict, CHIQUITA and IUF/ COLSIBA may, in addition, include in the meeting a representative of the local union and a representative of local management.	Freedom of Association

(continued)

Table 1. (continued)

Company/Global Union	Sector/Industry	Information Dissemination	Workplace Monitoring	Disputes Resolution	Worker Representation
Danone/IUF	Food processing	BSN and IUF “undertake to encourage management and trade union to negotiate agreements . . . and to publicize these . . . to the workforce to the widest extent possible.”	- BSN and the IUF undertake to “monitor proper compliance throughout all BSN subsidiaries with ILO Conventions 87, 98 and 135” - “the process of informing and educating trade union and worker representatives should develop within each BSN subsidiary with the goal of ensuring effective implementation.”	Language regarding the commitment by BSN and IUF to encourage negotiations between companies and trade unions	Freedom of Association
Volkswagen/IMF	Auto	Employees are “informed about all provisions of this declaration” by both employee reps and management.	Implementation of agreement reviewed through Global Works Council.	Joint administration through Global Works Council	Freedom of Association
Chrysler/IMF	Auto	“These principles will be made available to all employees and their representatives in an appropriate form. The methods of communication will be previously discussed with the employee representatives.”	Corporate management “will regularly report to and consult with the international employee reps on implementation of standards.”	Relies on complaints by partners, customers, employees to address any violations of the agreement	Freedom of Association

(continued)

Table 1. (continued)

Company/Global Union	Sector/Industry	Information Dissemination	Workplace Monitoring	Disputes Resolution	Worker Representation
H&M/JUNI	Garment retail	No language	(Joint responsibility for the administration of the agreement)	("Joint responsibility for the full implementation in good faith of this agreement by all parties on all levels")	Freedom of Association ILO Convention 135
Telefónica/JUNI	Telecommunication	"Telefónica S.A. will provide information concerning this agreement to all companies of the Group."	(Joint responsibility for the administration of the agreement)	Joint responsibility for administration of the agreement Joint committee for resolving disputes regarding the agreement	Freedom of Association ILO Convention 135
EDF/ICEM-PSI	Energy sector	Company will supply info on activities and results to labor and stakeholders. All employees have opportunity to speak to their managers for assessing their achievements, training, and career development.	Annual review of the Agreement by joint Consultation Committee on EDF Group Corporate Social Responsibility (CCSR)	Consultation between employees and employee reps is "preferred" method for addressing issues or for the settling of disputes.	Freedom of Association
Lukoil/ICEM	Energy/oil sector	ICEM and Lukoil develop joint training re: the agreement and implementation. copies to unions.	Company and ICEM meet annually to discuss "issues and actions." General Secretary of ICEM and Lukoil President are "ultimately responsible" for the admin of the agreement.	(joint responsibility for the administration of the agreement)	Freedom of Association

Note: IUF = International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Association; ICEM = International Federation of Chemical, Energy, Mine and General Workers' Union; UNI = Union Network International; IMF = International Metalworkers' Federation; PSI = Public Services International; BWI = Building and Wood Workers International.

representatives of the TNC and GUF. Monitoring groups review complaints, disputes, and disagreements regarding the application of agreement provisions in supplier factories. At this level, there is a clear distinction from corporate codes, which do not guarantee such forms of labor-management dialogue and instead rely on monitoring practices done either by company CSR departments or third-party auditors.⁸ Moving to the level of the workplace, however, the distinctions between codes and IFAs are less clear. In cases where there is a collective agreement present, that agreement governs the processes workers go through to report violations. When a collective agreement is not present, workplace monitoring becomes the responsibility of individual workers and of the employer, placing the worker in a vulnerable position without union representation. IFAs themselves do not contain specific mechanisms for local workplace monitoring in nonunionized worksites.⁹

Some companies with framework agreements, like IKEA, may engage in third-party monitoring processes through their broader CSR programs, though framework agreements do not establish these kinds of processes themselves.¹⁰ Rooted in CSR processes, this form of privatized monitoring is often presented as an alternative to worker self-organization and is a “top-down” approach designed to maintain corporate interests, rather than promote workers engagement.¹¹ Private monitoring does not effectively involve workers in a day-to-day monitoring process and may produce worker reluctance to report problems monitors due to fears of employer retaliation (Esbenshade 2001).

Like workplace monitoring, there are two levels of disputes resolution present in framework agreements. The first is present in mechanisms designed to monitor the implementation of the framework agreement in terms of the relationship between the TNC and the global union. In this case, disputes resolution processes are designed to bring the TNC and the global union together to identify and resolve disagreement in terms of how the framework agreement is being applied. Stronger examples of such provisions will clearly outline the process to be followed in such cases. For example, the Telefónica-UNI agreement commits both parties to regular meetings to discuss the implementation of the agreement and states:

... [t]o that end they will engage in ongoing dialogue and they will meet regularly. Any difference arising from the interpretation or implementation of this agreement will be examined jointly, for the purpose of making recommendations to the parties in conflict. A group will be appointed that comprises three members from Telefónica and three members from UNI to examine and report to the President of Telefónica and the General Secretary of UNI.

Where such explicit language is not present, disputes and disagreements regarding the implementation of the framework agreement are covered by general statements regarding joint responsibilities for agreement administration.

The other level of disputes resolution covered by framework agreements refers to the workplace level, in reference to localized employer (supplier)-employee disputes.

In this case, the framework agreements place individual workplace grievances under the jurisdiction of the local level collective agreement where one is present. When there is no collective agreement, disputes resolution falls under the jurisdiction of the general “joint responsibility” clause.¹² However, without a collective agreement, the disputes resolution process becomes very individualized insofar as it places onus on nonunionized employees who may be vulnerable to management retribution. When there is no local collective agreement in force then, the IFA takes a form that is not unlike a corporate code, as it contains no localized grievance resolution mechanism on its own.¹³

Finally, in direct contrast to the corporate codes, one of the primary aims of framework agreements is to promote unionization across transnational supply chains by securing company commitments to respect freedom of association rights. Thus all framework agreements include the ILO convention on freedom of association and collective bargaining as a core provision. Some agreements contain additional provisions to further enhance this commitment. For example, the agreement between Danone and IUF contains a provision that states “[b]oth the union and company must recognize the legitimacy of each party.” The agreements negotiated by UNI with both H&M and Telefónica also include the principles established by ILO Convention 135 on worker representation, stating that “[t]he company guarantees that workers representatives shall not be discriminated against and shall have access to all workplaces necessary to enable them to carry out their representation functions.” The extent to which IFAs have been able to promote unionization in supply chains is discussed below.

From this, it is clear that there are distinctions between corporate codes and framework agreements, primarily resting in the ways in which framework agreements are premised upon establishing a relationship between a TNC and a global union. Because of the joint company-union responsibility established through the framework agreement, and the explicit integration of global unions into regulatory processes, framework agreements create potential for moving beyond a protective/paternalist approach to labor standards regulation. This tendency is clearly highlighted in the joint-responsibility criteria in addressing disputes and grievances with respect to the implementation of the agreement, and in the priority placed on supporting freedom of association rights.

While their newness makes evaluation tentative, there is evidence that framework agreements have had some success in promoting unionization in supply chains. For example, Polish and Malaysian affiliates of the BWI were able to use their framework agreement with IKEA to organize suppliers in the IKEA chain (Hellman n.d.).¹⁴ The IMF was able to use their framework agreement to organize a DaimlerChrysler supplier in Turkey (Hammer 2005). Following an eight-week strike over union recognition by four hundred workers at the Ditas parts supplier factory, the IMF negotiated a first collective agreement for the workers.¹⁵ Similarly, banana workers’ unions have used a framework agreement negotiated between IUF-COLSIBA (a coalition of banana workers’ unions) and Chiquita to support unionization efforts (Riisgaard 2005). In Honduras, organizing efforts were resisted by a Chiquita supplier for a year

prior to the signing of the framework agreement. Following the signing of the agreement in 2001, however, organizers were given access to the plantation and secured representation for the workers in 2003. The Chiquita framework agreement has also facilitated organizing efforts and the negotiation of first collective agreements for banana workers in Columbia. The IUF-ACCOR framework agreement has been used with some success to assist in organizing drives within the ACCOR hotel chain in North America, Australia, and the UK (Wills 2002). With the aim to promote a “multiscalar” approach to organizing, the agreement has been used by the IUF to integrate union affiliates into the global federation and enable the global union to intervene in local campaigns in cases where the agreement has not been respected.

Yet, while they are negotiated and implemented jointly, like corporate codes IFAs are voluntary agreements.¹⁶ TNCs are under no legal obligation to negotiate framework agreements with global union federations and may greatly resist such efforts. For example, beginning in 2000, the International Textile, Garment, and Leather Workers’ Federation attempted to negotiate framework agreements with six major TNCs in the global garment, textile, and footwear industry in attempt to improve labor standards. All six campaigns were unsuccessful due to the combination of employer hostility, the complex supply chain relationships of the industry, the limited resources of the global union, and the proliferation of voluntary codes that employers advanced as alternatives to framework agreements (Miller 2004). The framework agreement is thus not a mechanism to ensure unionization; rather, when in place, they enable a dialogue between a global union and a TNC and may assist local organizing *if* a global union is able to use this dialogue to influence a TNC in its relationships with suppliers. The actual implementation of freedom of association across the supply chain, however, depends on the capacity for unions to exert pressure at local levels through organizing efforts in the nonunionized production sites of the chain.¹⁷

Moreover, the nature of the TNC’s commitment to bind suppliers to the principles of a framework agreement varies within the IFAs themselves. While the IFAs examined in this study contain principles that apply to all suppliers in a TNC’s supply chain, the agreements contain different degrees of obligations on the part of a TNC vis-à-vis its suppliers. For example, the Chiquita-IUF agreement provides a clear statement that it covers “all company subsidiaries that employ banana workers in Latin America.” In contrast, the IMF DaimlerChrysler agreement states simply that the company “supports and encourages its suppliers to introduce and implement equivalent principles in their own companies,” creating a much weaker level of obligation on the part of the TNC to ensure the framework agreement is recognized by its suppliers. And yet, even with the stronger language, the application of the Chiquita-IUF agreement is uneven (see below). Thus, the application of the principles of an IFA in each supplier worksite is in no way assured simply through the signing of the agreement by the TNC and global union.

Nor do IFAs ensure a stable bargaining relationship once a collective agreement has been negotiated. As discussed above, the IUF utilized its agreement to support local unionization drives in the Accor hotel chain by pressuring the multinational to

ensure local employers respected freedom of association rights. In a Canadian application of the agreement, shortly after a first contract was reached with an IUF affiliate in part due to this international pressure, local management closed the unionized hotel, thereby nullifying any effect of the IFA (Tufts 2007). Because of the weaknesses of IFAs in this regard, the IUF has reoriented its international strategy toward creating stronger unity between transnational instruments such as framework agreements and localized campaigns and organizing, for example by requiring that framework agreements include “practical provisions for strengthening union organizing and bargaining” (Garver et al. 2007, 253).

Additional factors condition their potential. Suppliers’ willingness to adopt a framework agreement may also depend on the size and importance of the TNC relative to the supplier (Hellman n.d.). Sectoral union density and sectoral union strength may be key elements in negotiating IFAs, with many of the agreements are in sectors with traditionally high levels of unionization, such as resource industries, construction and industrial manufacturing (Hammer 2005). Moreover, the vast majority of the IFAs are negotiated within continental Europe, and are rooted in the industrial relations traditions of countries within that region, particularly the emphasis on social dialogue (Stavis and Boswell 2008).¹⁸ The ability to transfer the model to other regions of the global economy is not yet well tested. Finally, application of framework agreements may vary across global union affiliates, as in the case of the IUF-Chiquita agreement, where information dissemination and enforcement practices are uneven, and noticeably weaker in supplier sites, as compared to those owned directly by Chiquita (Riisgaard 2005).

Moreover, as voluntary regulatory mechanisms, IFAs do not carry the legal status of a collective agreement. Thus, while framework agreements establish processes for joint responsibility resolving disputes over implementation and compliance, these disputes resolution processes do not carry with them mandatory forms of remediation. It remains the prerogative of the TNC (and supplier companies) to address union and worker concerns relating to compliance with the framework agreement. While IFAs are negotiated by global union federations, their effective implementation must therefore be accompanied by strong and localized workplace-based organizing and representation. As stated in an interview with a representative from a Global Union Federation:

There are two major challenges: How to bring the IFA down to the workplace level and how affiliates use the agreements and challenge companies. We need to get local unions to ensure that companies stick to the rules. They need more information and more training . . . We need strong local or national unions because somebody has to follow it [the IFA] up. This must be done by the people in the countries. This is the biggest challenge actually.¹⁹

In other words, the framework agreement may provide a shift beyond the unilateral, “protective” approaches of other forms of transnational labor rights regulation; but it

is no substitute for more traditional forms of workplace regulation such as a collective agreement. As enabling mechanisms that facilitate dialogue and an ongoing relationship between global union and TNCs, framework agreements may be considered an emerging means that could facilitate movement toward that more traditional end. Without this focus, however, framework agreements run the risk of promoting another form of paternalism, where a global labor federation located at great distance from the actual sites of production defines principles and priorities for local affiliates, without effective connection to local practices. Thus, despite their emphasis on social dialogue, they run the risk of replicating the model of social protection—the “social accountability contract”—engrained in corporate codes. The potential effects of this are that transnational instruments like IFAs could alienate local union bodies from global union federations rather than promote international labor solidarity (Russo 1999), and could fail to promote the enabling rights that would distinguish them from corporate codes.

To counter these tendencies in IFAs, a strong emphasis on local union organizing is needed. Movement toward a worker-centered approach to labor rights regulation will require a combination of transnational mechanisms like framework agreements with local union organizing. It is through independent and democratic local unions that transnational instruments will be effectively implemented and enforced in ways that benefit workers. As Lévesque and Murray (2002, 61) state,

. . . the application of rules and laws, be it at the level of the workplace, an industry or the economy as a whole, invariably depends on the capacity of actors, such as unions, to mobilize their power and make these rules and laws effective.

An orientation of transnational strategies toward local union organizing prioritizes goals of both worker empowerment and collective bargaining, traditional union goals that remain key to the effective regulation of labor rights in today’s global economy.

Conclusion

Developing strategies to defend and advance labor rights is a key challenge in the contemporary global economy. While CSR policies are becoming commonplace amongst TNCs, statements of principle will do little to address the conditions of the “race to the bottom.” Corporate codes of conduct, which are generally weak on enabling rights, do little to truly integrate workers into an effective labor rights regime. In contrast, IFAs are stronger on enabling rights, in particularly through mechanisms that ensure joint company-union responsibility for the implementation of the framework agreement. By enabling a process of negotiation between TNCs and global unions, IFAs show potential to provide a stronger mechanism for labor rights regulation than do unilateral corporate codes of conduct. Yet despite the key difference between corporate codes and IFAs—one being unilateral and the other bipartite—similarities

between the two define a common overarching and persistent tendency: that being a top-down, voluntaristic approach to labor rights regulation. Movement beyond this tendency is paramount.

In order to overcome these weaknesses, a twofold strategy is needed. First, transnational labor rights regulatory strategies must move beyond binary approaches to regulation based on state-based versus voluntaristic, privatized methods (see Trubeck, Mosher, and Rothstein [2000]). What is needed are strategies that effectively combine forms of transnational regulation with traditional regulatory strategies, such as local labor laws and collective agreements, to ensure the enforcement of international labor norms at local, national, and transnational levels.²⁰ Second, to truly be effective, transnational labor rights regulation must be rooted in processes that are based on worker empowerment rather than top-down forms of worker protection. Workers must be actively involved in the regulation of workplace standards, rather than accorded a passive role in that process. Without a clear shift toward an emphasis on local organizing and local enforcement of agreements, IFAs risk becoming a form of bipartite CSR. Connecting strategies like IFAs to effective implementation at localized levels is key to moving emerging forms of transnational labor rights beyond their current limitations.

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Notes

1. Interview, GU1, June 2007.
2. Interview, NGO1, July 2007.
3. Interviews, NGO2, July 2007; NGO 3, July 2007; NGO7, January 2008. CSR is a term that reflects a wide range of company-driven practices regarding the social and environmental impacts of investment decisions, production methods, and supplier practices. CSR policies have become widespread over the past decade and a half as corporations have responded to growing pressure from consumer groups, unions, environmentalists, and a wide variety of nongovernmental organizations seeking to reign in corporate actions in an era when corporations are largely considered to have escaped state regulation.

4. Interviews, NGO1, July 2007; NGO4, August 2007.
5. Interview, NGO3, July 2007.
6. Interviews were sixty to ninety minutes in length. Interviews were conducted in person with those participants located in Toronto, Canada, and by telephone with representatives from Europe and the United States. Follow-up requests for clarification and additional information were conducted by email. Some respondents requested anonymity. Therefore interviews are coded as follows: GU—representatives from global union federations; NGO—representatives from NGOs engaged in international labor standards work; CSR—representatives from CSR departments of TNCs.
7. For example, the agreement between the EDF-ICEM-PSI provides that “All Employees have opportunity to speak to their managers for assessing their achievements, training, and career development.”
8. Interviews, CSR1, June 2007; NGO4, August 2007; NGO6, September 2007.
9. Interview, GU2, December 2007.
10. Interviews, CSR4, August 2007; GU1, June 2007.
11. Interview, NGO3, July 2007.
12. Interview, GU1, June 2007.
13. Interview, GU2, December 2007.
14. Interview, GU1, June 2007.
15. International Metalworkers’ Federation, “How the IMF Works: International Framework Agreements.” <http://www.imfmetal.org/main/index.cfm?n=47&l=2&c=8202> (accessed October 2007).
16. Interview, GU1, June 2007.
17. Interview, GU3, December 2007.
18. Interview, GU2, December 2007.
19. Interview, GU1, June 2007.
20. This analysis builds from the argument developed by Weil and Mallo (2007), who argue for transnational labor-rights regulation through a combination of private monitoring with government enforcement. I differ from Weil and Mallo in that I focus on strategies that aim to involve workers in labor rights regulation. Private monitoring, whether on its own, or when done in conjunction with government enforcement, is not based on worker involvement.

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Bio

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