Wirkung internationaler Rahmenabkommen in Brasilien
The Impact of International Framework Agreements in Brazil

Ausdrucksformen der Globalisierung – Rolle der Mitbestimmung in der internationalen Gewerkschaftsarbeit, Juli 2012 Frankfurt a. M.

Research Project
Organization and Regulation of Employment Relations in Transnational Supply and Production Networks:
Ensuring Core Labor Standards through International Framework Agreements?

Grant: Hans-Böckler-Foundation, Germany
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The Berlin Team:
Prof. Dr. Jörg Sydow, Dr. Markus Helfen
Dept of Management, School of Business & Economics, Freie Universität Berlin

Dr. Michael Fichter
Center for Labor Relations, Otto-Suhr-Institute for Political Science, Freie Universität Berlin

Justus Dreyling
Katharina Schiederig
Lisa Schulte
(research assistants)

Country Teams:
Brazil
Lilian Arruda, Observatorio Social
Felipe Saboya, Observatorio Social

India
Indira Gartenberg, Supriya Bandekar,
Prof. Jamie McCallum, Middlebury College, USA

Turkey
Prof. Dr. Kadire Zeynep Sayım, Bilkent University
Özge Berber Ağtaş, ILO Ankara Türkiye Ofisi

USA
Prof. Dimitris Stevis, Ph.D., Colorado State U.,
Steven Toff, National Nurses Union / GLU
Research Questions

• What **motivates** TNCs on the one hand, and trade unions or employee representatives on the other hand, to negotiate and sign IFAs?

• How are IFAs being **implemented** at multiple levels of the global production network? To what extent are managers, suppliers and unions informed and involved at different levels?
International Framework Agreements (IFAs) are...

... based on contract relationships between transnational corporations (TNCs) and global union federations (GUFs) which

• afford a mutual recognition of both sides,
• provide for mechanisms of conflict resolution

and

• set standards regarding

  • ILO core labour standards,
  • additional ILO conventions,

within a defined organizational domain.

IFAs: instrument between unilateral self-restriction and international law (ILO).

But: there is only a relatively small number of IFAs (80+), compared to 900+ EWCs for example (ETUI 2008)
• Concentration in EU member states reflects particular political, institutional and socio-economic conditions at TNCs’ country of origin

IFAs by TNCs’ country of origin (n=75)

• GUFs

- Concentration among four of 11 GUFs reflects union strategies and resources, and TNC labor relations environments

IFAs by global union federation (GUFs) (n=75)
### Research Design: Case Selection

**Region of origin**
- TNCs headquartered in the EU (majority of all IFAs has been concluded by TNCs from continental Europe)

**Industry/GUF domain**
- Four industries (four GUFs have signed the bulk of IFAs):
  - IMF
  - UNI
  - ICEM
  - BWI

**Host countries**
- Four host countries (due to their special position in global division of labor and industrial relations systems):
  - Brazil
  - India
  - Turkey
  - USA
Concepts and Perspectives: Two Levels

Central Management (Home country)

Global unions
- European (World) works councils
- Union at headquarters

Local Management (host country)

Local union
- National union
- Employee representatives

From Negotiation to Initial Implementation: A Stylized IFA Process

Initiative
Identifying issues, GUF, national union, works council

Evaluation
HQ level, local input

Re-Negotiation
Duration, issues, participants

Negotiation
Decision to transfer

Case handling
First case handling (local, HQ): conflict resolution procedure

Implementation
First cases: Agreements, Violations. Local activity

## Research Design: Company Case Studies

<table>
<thead>
<tr>
<th></th>
<th>GUF</th>
<th>BWI</th>
<th>ICEM</th>
<th>IMF</th>
<th>UNI</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Priority I</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>ResourceCorp</td>
<td>ChemCorp</td>
<td>MetalCorp</td>
<td>ServiceCorp</td>
<td></td>
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<tr>
<td><strong>Priority II</strong></td>
<td></td>
<td>BuildCorp</td>
<td>RubberCorp</td>
<td>WireCorp</td>
<td>SecCorp</td>
</tr>
<tr>
<td><strong>Control Case</strong></td>
<td></td>
<td>BuildCorp2</td>
<td>ChemCorp2</td>
<td>ElectroCorp</td>
<td>ServiceCorp2</td>
</tr>
</tbody>
</table>
• Corporatist system of industrial relations going back to the labor legislation of Getúlio Vargas’ first rule

• *Unicidade*: Only one labor union per plant in each territorial area → high degree of fragmentation

• ILO convention 87 (Freedom of association and protection of the right to organize) still not ratified

• Comissões de fábrica: plant-level bodies of labor representation
## Implementation experience in Brazil: Cases of good implementation

<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>Knowledge of IFA</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Unions</td>
<td>Yes, comprehensive</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Measures/monitoring</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management</td>
<td>Training sessions</td>
<td>HQ intervention</td>
</tr>
<tr>
<td>Unions</td>
<td>Union-driven implementation, <em>comissão de fábrica</em></td>
<td>Union seminar on IFA among CNM/CUT affiliates</td>
</tr>
<tr>
<td><strong>Impact</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management</td>
<td>In Practice</td>
<td>In Practice</td>
</tr>
<tr>
<td>Unions</td>
<td>In Practice and supplier level</td>
<td>Positive: union recognition and bargaining</td>
</tr>
</tbody>
</table>

**Assessment:** joint implementation → improving labor relations

Implementation experience in Brazil: Cases of incomplete implementation

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<tbody>
<tr>
<td><strong>Knowledge of IFA</strong></td>
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<td></td>
</tr>
<tr>
<td>Management</td>
<td>Yes?</td>
<td>Yes</td>
</tr>
<tr>
<td>Unions</td>
<td>Yes, but access problems</td>
<td>Yes, but access problems</td>
</tr>
<tr>
<td><strong>Measures/monitoring</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management</td>
<td>?</td>
<td>Management CSR-initiative, GFA integrated into Rhodia Way</td>
</tr>
<tr>
<td>Unions</td>
<td>No union cooperation; IFA lacks provisions</td>
<td>Limited involvement</td>
</tr>
<tr>
<td><strong>Impact</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management</td>
<td>?</td>
<td>Yes</td>
</tr>
<tr>
<td>Unions</td>
<td>Little but potential</td>
<td>Limited</td>
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</tbody>
</table>

**Assessment:** little union involvement → little impact on labor relations
## Implementation experience in Brazil: Cases of non-implementation

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<tbody>
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<td><strong>Knowledge of IFA</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Management</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Unions</td>
<td>No</td>
<td>Yes, but access problems</td>
<td>No</td>
</tr>
<tr>
<td><strong>Measures/monitoring</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management</td>
<td>Other CSR activities, sustainability</td>
<td>No</td>
<td>?</td>
</tr>
<tr>
<td>Unions</td>
<td>Unionization, but no <em>comissões de fábrica</em></td>
<td>No</td>
<td>?</td>
</tr>
<tr>
<td><strong>Impact</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management</td>
<td>None</td>
<td>None</td>
<td>?</td>
</tr>
<tr>
<td>Unions</td>
<td>None</td>
<td>None</td>
<td>?</td>
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</table>
1. Difficult institutional setting in Brazil

• Hindrance to a widespread IFA implementation: unions are organizationally fragmented (legal setting).

• Policy development across different workplaces even within the same company requires a special effort.

• Require favorable constellation of actors, the implementation at another subsidiary, or at any number of suppliers, might be completely inadequate.

• Especially in such sectors as construction or private services, in which workplaces are not spatially fixed.
2. Development and promotion of local ownership

Early involvement of host country actors in the IFA process, that is in the initiation and negotiation phases, is highly conducive to furthering its eventual implementation (for example Daimler and Leoni)
Conclusions: Brazil

3. IFAs: *joint* labor-management policy instrument

- Must be communicated to the actors at the subsidiaries and the suppliers accordingly;
- **distinct from management’s CSR policy.**
- Unions, particularly the GUFs, need to emphasize the *joint policy character* or else *the recognized value for local actors is diminished*
### Implementation Measures

<table>
<thead>
<tr>
<th>Transnational Corporations (TNCs)</th>
<th>Global Union Federations (GUFs)</th>
<th>Joint Initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Information and Communication Practices</strong></td>
<td><strong>Information and Communication Practices</strong></td>
<td><strong>Joint I &amp; C Practices</strong></td>
</tr>
</tbody>
</table>
| • internet/intranet, translations, distribution to employees, commentaries, other publications | • internet/intranet, translations, commentaries, other publications | • Press conferences  
  • joint web page  
  • roundtables |
| **Training Practices** | **Training Practices** | **Joint Training Practices** |
| • manager training, group/individual  
  (HQ, Divisions, Subsidiaries, Suppliers) | • joint GUF training  
  • affiliates, union workplace reps  
  • supplier unions | • HQ, Subsidiaries  
  • Country-specific  
  • Suppliers |
| **Operational Practices** | **Operational Practices** | **Joint Operational Practices** |
| • organizational restructuring  
  • formalized complaint procedures  
  • incentive schemes  
  • supplier contracts  
  • Quality-Management | • organizational restructuring around IFAs  
  • redistributing resources  
  • company networks  
  • support for local union organizing | • Joint task forces  
  • joint rollout program  
  • joint evaluation |