International Labour Process Conference 2011,
University of Leeds, 5th to 7th April 2011

The recent success of transnational collective bargaining: an unexpected phenomenon?

Jocelyne Barreau, professeur émérite d'économie, CRESS-Lessor et ISSTO, Université Rennes 2, Jocelyne.barreau@univ-rennes2.fr

Angélique Ngaha, doctorante en sciences de gestion, IRG, Université Paris-Est, angelique.ngaha@u-pec.fr

Research undertaken within “CSR regulation potential” program financed by the ANR (Agence Nationale de la Recherche).

Transnational collective bargaining (TCB) is a negotiating process initiated between transnational players, on one hand, an international employers association or a multinational firm (MNE) CEO and, on the other hand, a Global Union Federation (GUF), a European Union Federation (EUF), a European Works Council ... and so on. TCB leads to the concluding of transnational agreements (TA). The European Commission is very interested in this phenomenon and has ordered several studies about it. These studies show a very important increase of signed TA since 2002, some of them have a European scope and some others an international one. The last ones are called International Framework Agreements (IFAs). We shall only study the development of IFAs concluding for the development of European negotiation is widely connected with the institutions and laws adopted within the European Union\(^1\). The development of IFAs concluding is not so easily explained.

What is an IFA? Global Unions\(^2\) (Geneva meeting, September 2002) choose a very complete and demanding meaning. “This is an international agreement: ILO Conventions are

---

\(^1\) Especially the directive on European Works Councils.

\(^2\) Global Unions is composed of the 10 GUFs whose affiliated members are national industry federations, of TUAC, Trade Union Advisory Committee at OECD) and of ITUC, International Trade Unions Confederation, whose affiliated members are national confederations. ITUC has been created in 2006 from the merger of ICFTU (International confederation of Free Trade Unions) and of Global Trade Unions Confederation.
 compulsory points of reference, the MNE must make commitments towards suppliers and subcontractors; its implementation must involve national unions, appeal is possible* (Descolonges, 2006, p.76). However for some authors, the GUF signatory is a sufficient condition to define an IFA (Daugareilh, 2006, p. 117). We choose this second meaning. These agreements are hybrid instruments. They are company collective agreements because they cover only the parent company and its subsidiaries. Nevertheless, they are signed by an industry trade union which is supposed to conclude industry agreements (Léonard and Sobczak, 2010). The international adjective is usurped insofar as an IFA only applies where the signatory transnational group (and possibly its subcontractors and suppliers) is located.

So far, 90 IFAs are listed³, compared to 18 in 2001 and 9 in 1999. We note that only five out of ten GUFs are very active in concluding IFAs (UNI, IMF, BWI, ITGLWF, IUF)⁴. Two GUFs⁵ have negotiated and signed IFAs in collaboration with one of these five very active GUFs. Two GUFs have not yet signed an IFA: IFJ (journalists GUF) and EI (teachers and education workers GUF) (Bourque, 2005 and 2008; Papadakis, 2008; Léonard and Sobczack, 2010). Finally ITF (transport workers GUF) has not signed any IFA but has negotiated an international industry collective agreement with the International Maritime Employers’ Committee in 2000 (Lillie, 2004). The signing MNEs are essentially European (French, German, Dutch and Scandinavian).

This recent success of international negotiation occurs despite national trade unions decline (Pernoud, 2005; Dufour and Hege, 2010) and despite pessimistic assessments and forecasts from industrial relations experts and researchers. Indeed since the seventies, trade unionists and academics have analyzed all the institutional, cultural, strategic factors which impede TCB development and most of them have come to the conclusion that this development was impossible. The aim of the paper is to analyze foundations of these pessimistic assessments and forecasts about TCB development and then to explain why they failed and why IFAs concluding has grown so fast during the last ten years.

The study is based on a literature review and on a field research. To lead the literature review, we have collected researches about TCB since 1990 and, on the basis of these

³ Source: Global Unions website (January 2011)
⁴ UNI (services workers GUF) has signed 35 IFAs, IMF (metalworkers GUF) 19, BWI (building and woodworkers GUF) 15, ICEM (chemical, energy, mines and general workers GUF) 14 and IUF (food and tobacco workers GUF) 11.
⁵ ITGLWF (textile, garment and leather workers GUF) has signed one IFA (with UNI). PSI (Public services workers GUF) has signed two IFAs with ICEM.
researches, we have selected the papers which have been the most often quoted about 1970s and 1980s TCB impediments and failures. The field research is based on data collected within the research program framework called “CSR regulation potential”. We have analysed the transnational collective bargaining development of four French companies (Accor, Danone, France Télécom, EDF) during the last 25 years. We have studied in details the negotiations and the implementations of the transnational company agreements that they have concluded.

We have worked on the basis of documentary sources (academic and expert studies), of semi-directing interviews and of documents provided by our interlocutors (companies top management members, trade unionists, employee representatives, GUF, EUF, national industry federation officials). We carried out our interviews starting from guidelines based on the various phases of our analysis. The interviews were carried out in 2007, 2008, 2009 and 2010. They lasted from 45 minutes to two hours and a half.

On the basis of the literature review and of these four examples, we show how actors behaviors and stands evolve and why each actor of the TCB process has better to conclude IFAs, since 2002 (2-), despite the pessimistic 1970s, 1980s and 1990s forecasts about TCB development (1-).

1- Three decades of pessimistic assessments and forecasts about transnational collective bargaining development (1970s, 1980s and 1990s)

The transformation of industrial relations brought about by firms internationalisation (seen as their offshoring) has become a research topic and a subject of concern since the beginning of the 1970s, due to American foreign direct investments, particularly in Western Europe. Some advocate the advent of a “union countervailing power” (Levinson, 1972). But unionists and researchers who then study industrial relations within multinational enterprises (MNEs) consider, with a few exceptions, that trade unions are in a defensive position with regard to this internationalisation process which delocalizes jobs (Northrup and Rowan, 1974, 1975, Caire, 1978, 1980). Many authors deem that the challenge is insurmountable for the trade unions because MNEs top managements demonstrate a constant hostility to the establishment of international industrial relations. At the end of 1990s, no author anticipates the strong development of IFAs concluding that has occurred since the beginning of the 2000s.
1-1 Theory and activities to promote a countervailing power to that of MNEs (Levinson)

In the 1960s, the process of internationalization affected particularly metalworking, chemical and food sectors. The international trade secretariats (ITSs) of these sectors tried to form a countervailing power to the MNEs. Charles Levinson was assistant general secretary of The International Metalworkers’ Federation, IMF, from 1956 to 1964. He was general secretary of International Federation of Chemical and General Workers’Unions, ICF, from 1964 to 1985. He was then a key trade unionist through his activities and writings.

“According to Levinson’s theory, the evolution of collective action should parallel that of enterprises whose multinational character would follow a series of steps until they would no longer have any particular links to a given country. Thus transnational union action was to progress in three stages (Levinson, 1972, pp.110-141):

- the organization of international solidarity with a union involved in a conflict at an MNE subsidiary;
- the coordination of “multiple” (ibid., p.110) and finally simultaneous (ibid., p.132) negotiations at different subsidiaries of the same MNE in several countries;
- integrated negotiations, also called “integrated or centralized bargaining” (ibid. : p.140) with the management of the MNE and all or some of the subsidiaries on the basis of common demands previously defined by the different national unions” (Da Costa and Rehfeldt, 2008, p.45).

Levinson’s first stage tallies with ITSs’ response “to the perceived need of their member unions for mutual support in conflicts” (Gallin, 2008, p.17). To illustrate this stage, Levinson chooses the ICF action against Saint-Gobain that he conducted in 1969 as ICF general secretary. “It was simultaneously conducted in four countries, including a 26-day strike in the United States” (Gallin, 2008, p.17).

Levinson’s second stage is a transposition of AFL-CIO co-ordinated bargaining program to international level. “Under this plan all unions with collective bargaining rights within a plant of a given company work out their demands and bargaining strategy jointly. […] This plan has already achieved some notable successes, particularly with General Electric, Westinghouse and other companies” (Levinson, 1972, p.104).
To reach the third stage, the IMF built up a strategy of World Auto Company Councils. “The idea of world councils had emerged within the United Auto Workers (UAW) union in the United States (US), following a proposal by its president, Walter Reuther, in 1953, but it was adopted by the IMF automobile conference only in 1964. European unions, particularly IG Metall in Germany, were slow to join the project they perceived as motivated by the UAW’s fear of job losses” (Da Costa and Rehfeldt, 2008, p.45). Three auto world councils were established in 1966. They were five in 1968.

The declaration adopted by the IMF World Auto company Councils, during a conference held in London in March 1971, states: “We call for meetings of representatives of each of the IMF World Auto Company Councils with the top policy-makers of these respective international corporations. Among the priority items to be discussed at such meeting are information concerning investment and production plans and job security” (quoted by Gallin, 2008, p.18).

This modest objective was not reached. The objective of the International Union of Food and allied Workers’ association (IUF), set in a resolution adopted in May 1964 IUF congress, was more ambitious: “the congress ‘directs the Executive Committee to take all appropriate measures to secure the recognition of the IUF as an international coordination body and to perfect an appropriate procedure for conducting international negotiations in the food and allied industries under IUF sponsorship’” (quoted by Gallin, 2008, p.21). It was too ambitious compared to the international unions’ unbalanced power.

1-2 International unions unbalanced power assessment

Northrup and Rowan (1974) are very critical of Levinson’s writings. “The key event in the rise of Charles Levinson and the ICF to international prominence was the press coverage achieved in regard to the alleged action of ICF against the French glass concern, Saint-Gobain, in the spring of 1969. […] After examining the detailed record, however, we have concluded that the results claimed by the ICF are at least questionable, although nearly all accounts of the matter accept the Levinson version as factual” (p.112-113). Northrup and

---

6 In the following years, World councils were established in many sectors. “Some of these councils still exist but others were short-lived. In most cases they consist of meeting structures for the union officials of the national federations that met every two or three years during the world congress of the ITSSs or the sector international conferences. The councils seldom comprised representatives elected by different subsidiaries’ employees” (Da Costa and Rehfeldt, 2008, p.46).
Rowan (1974a) led a series of case studies from 1972 to 1979 and outlined the huge obstacles to transnational collective bargaining.

Caire (1978) mentions union organisational unsuitability (multiplicity of structures) and the tensions and rivalries between union levels (local, national, international). He describes employers hostility to any union vague attempt to open a dialog with top management at international level. He concludes that “the union countervailing power, which tries to find itself, is very helpless in face of MNEs” (ibid., p.387).

In the detailed analysis of industrial relations within the ever more powerful MNEs, Caire (1980) emphasizes cultural, institutional, organizational impediments to TCB development. The rivalries and divides which weakened union movement faced with very powerful MNEs top managements are obvious throughout international unionism history. The divides between American and European unions are particularly sensitive. They are obvious as for the relations between Northern and Southern unions and the strategic orientations taken by ICFTU, when AFL (or AFL-CIO) was exerting a significant influence.

AFL, the American confederation, and its British allies came into conflict with West-European unions when the first international confederation, International Federation of trade Unions, IFTU, is created in 1919. AFL quickly withdrew from the organization and came back in the late 1930s. A separate international labour organization is established by communist trade unionists in 1921. The creation of the International Federation of Christian Trade Unions (IFCTU) brought together both Catholic and Protestant unions in 1920. IFCTU organized its own Trade Secretariats.

After World War 2, the World Federation of Trade Unions (WFTU) was formed (1945). The WFTU brought together communists and socialists unions i.e. “the vast majority of unions in Europe, South America and Asia, with the notable exception of AFL and Christian unions”. “The WFTU faced additional internal obstacle. One’s of the WFTU goals was to make the International trade secretariats (ITSs) integral parts of the organization. This met with resistance by number of ITSs” (Stevis, 1998, p.60-61). In 1949, WFTU split into two federations, the international confederation of free trade unions (IFCTU) and The World federation of trade unions (WFTU). “The ITSs preserved their autonomy but formalized their relationship with the IFCTU” (ibid., p.61). “Several ITSs leaders were openly anticommunists, and the ideological struggle was detrimental to the unity and efficiency of international trade union action » (Da Costa and Rehfeldt, 2008, p.46). By the late 1960s, “it became
increasingly difficult for AFL-CIO to control the ICFTU as well as some of the ITSs". The AFL-CIO withdrew from the ICFTU in 1969, not to return until 1982" (Stevis, 1998, p.62).

During the 1960s and 1970s, the AFL-CIO led its own foreign policy through bilateral arrangements. Within ICFTU, during the 1980s, the AFL-CIO spared itself influence areas. Thus the Inter-American Regional Organization of Workers (ORIT), one of the three regional components of the ICFTU, has traditionally been controlled by the AFL-CIO. At the end of the 1990s, there are efforts to revitalize it.

As mentioned above, the notion of creating World union councils was an American one and European trade unions were at first very reluctant. All attempts to set up relations with MNEs top managements, through World union councils, had failed. These attempts however aimed at a modest objective, information exchange about restructuring projects, introduction of new technologies with consequences on employment and working conditions. Internal strife and divides among international unions have sometimes contributed to these failures (cf Michelin and Dunlop-Pirelli examples in Da Costa and Rehfeldt, 2008, p.47). “The main reason was of course the persistent refusal of the management of most MNEs to recognize ITSs as bargaining parties, particularly outside the European Union (EU)” (Da Costa and Rehfeldt, 2008, p.49).

1-3 Constant MNEs top managements’ hostility to international industrial relations

The list of MNEs top managements that refuse to recognize ITSs as legitimate interlocutors, to create with them information committees or a fortiori permanent negotiation committees, is long. It includes top managements who had negotiated with an ITS to curb a social conflict. We mention some significant examples.

“The International Union of Food and allied Workers’ association (IUF) did achieve a noteworthy bargaining role with the Coca-cola company over the status of the company’s Guatemalan bottling affiliate. But even though the IUF won its objective in Guatemala, it did not achieve a lasting relationship with Coca-Cola”. The International Federation of Commercial, Clerical, Professional and Technical Employees (FIET) had numerous contacts with companies in the insurance and retail industries during this period, some involving just FIET officials, others including national union personnel as

---

7 Gallin (2008) provides a lot of information about this 1984 conflict (p.29-31).
well. Although the significance of these meetings should not be discounted, we are unaware of arrangements to continue them on a permanent basis” (Northrup and al., 1988, p.526).

“BAT\(^8\) was in fact the first company where IUF organized solidarity action between member unions in different countries representing workers in the same MNE. The action was in defence of the Pak Cigarette Labour Union (PCLU), which represented workers at the Pakistan subsidiary of BAT. The PCLU was formed in 1961 but was not recognised. Instead the union faced lockouts, arrests, dismissals and fines. In February 1963, it went on strike. […] In December, the general secretary of the British Tobacco Workers’ Union, Percy Belcher, travelled to Karachi officially representing the IUF and helped to bring about negotiations between the union and the company. […] In 1964, the IUF approached BAT with a proposal to establish a permanent joint negotiating body, but did not obtain a positive response” (Gallin, 2008, p.20-21).

“In June 1972, a delegation of IUF permanent council met Nestlé management at company headquarters in Vevey, Switzerland to discuss the conclusions of the World Conference. […] Both parties agreed that further meetings between representatives of the IUF Permanent Council and the Nestlé management should take place at the request of either of them. However, relations soured in 1973 when Nestlé management refused to discuss the anti-union policies of Stouffer Foods, a recent acquisition in the United States, and when it refused to intervene in a conflict at the Chiclayo plant of Perulac, its subsidiary in Peru” (Gallin, 2008, p. 22-23).

“The IMF established a European Committee of Metal Trade Unions, as a coordinating body of the IMF in what was then the European Economic Community. This Committee worked to establish bargaining rights with several MNEs, but focused particular attention on Philips, the Netherlands-based electronics corporation. […] A fourth meeting, planned for 1971, was to discuss the possibility of establishing a permanent joint advisory committee that would examine employment, social policy and industrial relations problems within the Philips group, but ‘owing to the company’s increasing hesitancy’ this was indefinitely postponed (Levinson, 1972, p.132)” (Gallin, 2008, p. 19-20).

The assessment is the same, whether the protagonists were American or European MNEs, ITSs or national sectoral federations. Gallin (2008, p.26) concludes : “Those few companies (BAT, Philips and Nestlé, for example) that had agreed to meet ITS delegations to discuss

---

\(^8\) British-American Tobacco
industrial relations problems affecting their entire operations quickly drew back when they realised that the ITSs involved expected some form of binding commitments and serious changes in their corporate practices”.

1-4 Persistence of pessimistic assessments and predictions twenty years later

In the 1990s, the authors still envisage union position as defensive. They stay pessimistic about the means that unions have at their disposal to oppose MNEs power.

Caire (1998) considers as important the asymmetry between MNEs, able to think and act “global” and unions that attempt to “think global” but are forced to act “local”. He notices three forms of international union action (emerging international collective bargaining, codes of conduct imposed to MNEs, proposal of a social clause defended before international trade authorities). He describes them as “groping” and consider them inefficient as long as “three procedural issues” are not settled i.e. “the modes of rules elaboration, the terms of the supervision of their implementation, the various types of sanctions to which it would possibly be necessary to resort” (ibid., p.)

Stevis (1998, p.53) explains that his goal is ‘is to situate the contemporary predicament9 of international labor organizations within its historical context”. The author states that : “the comprehensive network of global and regional labor organizations continues to play a marginal role, even though they are clearly conscious of these developments10 and have sought to respond to them”.

In fact these pessimistic analysis are still up to date for the American case because American MNEs top managements and American unions stands and behaviours are not so much evolving. American employers’ anti-unionism is still notorious (Burgoon et Jacoby, 2004). American MNEs top managements prefer adopting codes of conduct rather than negotiating IFAs. And yet Gallin (2008, p.33) points out that « in many cases, far from promoting labour rights, one of the main purposes of codes of conduct has actually been union avoidance ». American unions have indeed joined international trade unionism (ITUC and GUFs) but they favour international unions’ alliance (Hennebert and Dufour-Poirier, 2008). As a result TCB development concerns only Europe i.e. a continent where both bargaining partners have changed theirs stands and behaviours.

9 Souligné par nous.
10 The author quotes “Deepening neoliberal integration, the end of the Cold War, and the decline or compromise of communist and socialist parties which offer a window of opportunity for international labor politics”.

9
10
2- Success of transnational collective bargaining development in European MNEs since 2002: actors behaviours and stands shifts

Da Costa and Rehfeldt (2008, p.51) state that “Levinson’s final objectives, transnational collective bargaining at company level started to emerge at European level”, in the 2000s. They argue that “the emergence of European-level industrial relations and particularly the EWC Directive played a major role in the road leading to transnational collective bargaining and agreements” (ibid., p.51).

We do not deny the institutional factors of TCB development in European MNEs. But we shall emphasize the behaviour and stand shifts that these institutional factors have brought about for the two main bargaining partners, the European MNEs top managements and the GUFs\(^{11}\). Moreover we think that international institutional factors and other actors’ activities have as well played an important role to cause these shifts. Thus MNEs have been vehemently criticised by various social movements that have succeeded in being understood by ILO, then by UN, OECD and, during some time, by WTO. Guidelines for multinational enterprises have been promulgated by OECD in 1976 and by ILO in 1977. MNEs then adopted CSR policies which have been materialized by the elaboration of codes of conduct. The European MNEs then accepted to negotiate IFAs which substituted for codes of conduct.

2-1 European MNEs top managements: from European information committees and unilateral codes of conducts to international bargaining

Information and consultation bodies have been created in many European MNEs during the 1980s. The causes of these setting up are various. Some authors put forward economic and social arguments. Northrup and al. (1988) claim that top managements wish to inform unions about the restructurings they want to carry out in a context of strong recession (outset of the 1980s) to prevent social conflicts. The threat originated by the Vredeling proposal drives European MNEs to anticipate a possible binding rule and to create employees information and consultation bodies. Finally the European Works Councils (EWC) directive has been in force since 1996 and it fostered exchanges between unionists from various European (and sometimes non-European) countries and from various union organization levels (national, European, international).

\(^{11}\) International trade Secretariats (ITSs) were renamed Global Union Federations (GUF) in 2002.
Northrup and al. (1988, p.540) analyze “the changing character of multinational unionmanagement consultation in Europe during the 1980s”. The authors quote that « The severe recession of the early 1980s not only reduced union interest in multinational consultation arrangements, it also lessened employer opposition to meeting with international union officials. The wheel had turned full circle: employers no longer feared concessions such meetings might extract from them, they were eager to explain and to lobby for concessions they needed from the unions. [...] management’s earlier reluctance to meet the international union bodies for fear of establishing a bargaining relationship may now be breaking down in face of the need to secure union acceptance of industrial restructuring” (ibid., pp.527-528).

In the late 1970s, as well as international authorities, the European Commission is concerned about MNEs. It wishes to give specific rights of information and consultation to large MNEs employees. “The 1980 Vredeling draft Directive entailed compulsory consultation in two stages in cases of total or partial closure of MNE subsidiaries. The first one was at subsidiary level, where the employee representation would have 30 days to formulate an opinion after being informed of the intention to close. If they considered that the project would directly affect their conditions of work and employment, management had to open negotiations” (Da Costa et Rehfeldt, 2008, p. 53). The reaction of the Union of Industrial and Employers’Confederations of Europe (UNICE) had been very negative. So has been the reaction of UK Prime minister Margaret Thatcher. The content of the directive of 22 September 1994 was less binding. It introduced the obligation, from 22 September 1996, to negotiate the establishment of a European Works Council (EWC), in European MNEs12 so as to inform and consult workers.

“In some MNEs, relations of trust have been progressively built up, among employee representatives coming from different national systems of industrial relations on the one hand, and between management and European employee representatives on the other” (Da Costa et Rehfeldt, 2008, p.55). On the basis of these relations, the negotiation of international framework agreements becomes an opportunity. This is exactly the situation described by Gallin about the first IFA negotiation in French BSN-Danone group, in 1988 (Gallin, 2008, p.26-31).

---

12 European enterprises employing at least 1000 employees and at least 150 employees in two EU Member-States or more.
MNEs then adopted CSR policies which have been. The European MNEs then accepted to negotiate IFAs which substituted for codes of conduct.

The process of creation of information and consultation bodies has met another one, concurrently initialized, i.e. MNEs CSR policies adoption, materialized by the elaboration of codes of conduct. International unions then reacted and suggested to negotiate IFAs which substitute for these unilateral commitments (Hennebert et Bourque, 2010, p.9; Da Costa et Rehfeldt, 2008, p.61). For “the concept of codes was compromised from the beginning as a management-driven relations exercise” (Gallin, 2008, p.32).

Some European MNEs, which are regularly in contact with European and International union federations, within EWC, accept to negotiate IFAs because this is the outcome of social dialog set up at a national level and sometimes an international one and also because it allows consolidating their social policy (BSN-Danone case). Bourque (2005, p.13) puts forward another reason for a MNE top management to sign an IFA: it has been compelled to do so because it has to restore its social image which has been damaged by international campaigns denouncing employees working conditions in its Southern subsidiaries or in subcontractors and suppliers workplace. IFA concluding then corresponds to an image policy.

The logic of image policy seems more complex to us that the aforementioned one. Presently, the issue at stake for the MNEs is not so much the one of image restoration but the one of prevention because the fact that other MNEs have concluded IFAs creates some kind of obligation to imitate them so as to obtain an image of socially responsible enterprises. The image policy course of action was the one followed by Accor in 1995. The imitation effect had fully played for Accor had not yet a damaged social image and was not the object of campaigns denouncing its social methods. The IFA, signed at IUF instigation, took up word for word the content of the first IFA concluded by BSN-Danone (Barreau, Arnal, 2010). The prevention effect did not play for it was the second worldwide signed IFA.

During FT IFA negotiation (2006), imitation and prevention effects fully played. The French union IFA negotiators admit that the fact that other Telcos (particularly Telefonica) has already concluded IFAs has been a strong argument for convincing the very reluctant FT top management to open an international negotiation. They also declare to have taken as a model EDF IFA signed in 2005 (Ngaha et Gissinger, 2010). The imitation-prevention phenomenon strengthens with the increase of IFAs concluding. Top managements negotiate and sign IFAs since not doing so whereas their competitors did it, would damage the corporate image. It is on this risk that ITUC, DGB and UNI are counting while denouncing
Deutsch Telekom (DT) practices. In 7 February 2011 *ITUC on line*, ITUC announces a world campaign to convince DT to stop its US T-Mobile subsidiary anti-union practices. Michael Sommer, DGB German confederation and ITUC chairman, also condemns DT behaviour. In the same item of news, the UNI secretary general Philip Jennings states «DT would negotiate an IFA to guarantee unionising and bargaining rights to its employees everywhere in the world». This proposal may be accepted by DT top management as several of DT competitors have yet concluded an IFA with UNI.

Why did top managements of four French MNEs (Danone, Accor, EDF, FT) that we chose to study agree to negotiate IFAs?

Accor and France Télécom (FT) top managements embarked on IFA negotiations, in 1995 and 2006 respectively, without having taken the initiative for it and favoured consequences of IFA media coverage. Social commitments essentially appear as concessions granted to union negotiators (IUF and UNI Alliance respectively). Moreover Accor IFA only contents a recall of fundamental labour rights (ILO core conventions).

On the other hand, Danone IFAs concluded “mark the concrete recognition by both groupe Danone and the IUF of the value of constructive workplace relations between groupe Danone management and representative, democratic and independant trade unions representing Danone workers”. These IFAs “establish minimum standards throughout groupe Danone operations and as such seen as a central part of groupe Danone’s approach to Human Resource Management” (excepts from the preamble of the booklet containing IFAs signed by Danone group and IUF, 1999 edition). This text is signed by Danone CEO and by IUF general secretary. It has been printed as well in the 2005 booklet and translated in the twenty languages used in Danone group. Danone group and IUF had concluded seven IFAs since 1988.

As regards EDF top management, the initiative to embark on a Corporate social responsibility IFA negotiation lies with it. During a three-day seminar, GUF and national unions representatives, external experts and members of the top management have discussed a proposal drawn up by top management (Ngaha et Gissinger, 2010).

As for trade unions, they have managed to adapt themselves to the new international order better than foreseen by the authors cited above.
2-2 Unions adaptation to the new international order

The end of Cold War has not had an immediate effect on international trade unionism but has led to a spectacular merger that has reunified the world union movement. In November 2006, in Vienna, ICFTU and World Confederation of Labour (WCL) merged. This gave rise to the setting up of the International Trade Union Confederation (ITUC).

The 2006 union reunification allows the GUFs to genuinely represent all of the national sectoral unions before MNEs top management. The ITUs position was much more difficult since Italian CGIL and French CGT federations were not affiliated whereas CGIL and CGT were majority unions in their countries.

This spectacular merger non only puts an end to union divides and internal strife which characterized the preceding decades. It is also the symbol of a deep adaptation of international unionism which has been able to reorientate its strategies, organize a clear work division and an efficient coordination between its different levels, negotiate IFAs taking into account Southern workers interests, enforce some IFAs commitments, without any legal constraint.

Reorientation of GUFs strategies

In the 1990s, the ITUs, ICFTU and some NGOs try to obtain the inclusion of a social clause in commercial agreements. This course of action fails (Gordon, 2000). The GUFs then refocus on contacts with MNEs top managements. They negotiate IFAs during the 1990s and especially during the 2000s with a view to being recognized as international trade union interlocutors of MNEs top managements, while demanding the enforcement of ILO convention 87 related to trade unionism freedom. This reorientation of their strategies is significantly marked. Thus the GUFs general secretaries devote a lot of time to IFAs preparation, negotiation and follow-up and state that IFAs concluding is the priority for their organizations in the years to come. GUFs and national sectoral federations representative are more and more able to prepare and conduct IFAs negotiations. “The Danone agreement, including its subsidiary agreements, remains the most far-reaching IFA to date, and has set the pattern for further IUF agreements with TNCs (for example, Accor, Chiquita and Fonterra)” (Gallin, 2008, p.29).
A clear division of work and an efficient coordination between reorganized union levels

Following successive merges, the 15 ITSs from the 1980s became the 10 GUFs of the years 2000 (Windmuller, 2000). These mergers have allowed to increase GUFs resources and to strengthen their action capacities. The five GUFs very “active” in IFAs concluding are also those which bring together the highest number of members. Let us note that three of them were already the most active ones in the 1970s and 1980s, in the coordination of international solidarity and the support to international disputes (Levinson, 1972; Gallin, 2008).

The task division established between the main international union Confederation, ICFTU, and the ITSs, in the 1970s (Gumbrell-McCormick, 2000), is still available. GUFs insure the defence of MNEs workers interests, discussing with MNEs top managements. This task has become very important and time-consuming. ITUC takes on workers interests before governments and international organizations. Concerning national industry federations, as ITSs affiliated members, they contribute to the definition of ITSs activities, while being responsible of national industry negotiations (at least in some countries) and intervening in the support and the coordination of affiliated unionised workers elected in company committees and councils, or even in European works councils (EWC) of MNEs, the headquarters of which are located in their respective countries.

“On the workers’side, the affiliates of GUFs and European industry federations perceive their affiliation to a “global” body as an indispensable way to reinforce social representation. This was not the case of ITSs, which were viewed more as providers of information and coordinators of ad hoc international solidarity actions (see for example Bourque, 2005)” (Papadakis, 2008, p.7).

The available (human and financial) resources are correlated to the GUF size but this is not sufficient to assure the success of implemented strategies, it is also necessary to coordinate union action, especially by taking into account affiliated national industry unions and their local members. That is what Global Unions say in a recent document (2009, p.5, our translation): “Success is not guaranteed but progresses will be obtained provided that a better communication and tighter links can be set between national and international unions”.

13 The members number (in millions) is 2.5 for IFJ, 25 for IMF, 4.5 for ITF, 10.5 for BWI, 10 for ITGLWF, 20 for ICEM, 30 for EI, 20 for PSI, 12 for UITA et 15 for UNI (source Bourque, 2005, p.27 and Global Unions website consulted on January 2011).
7 February 2011 *ITUC on line*, quoted above, shows the coordination between the international confederation (ITUC), a GUF (UNI) and a national confederation (DGB). The three of them will participate to the World campaign denouncing DT anti-union practices. The division of work is clear: the GUF is the one which suggests to DT top management opening an IFA negotiation process.

*The GUFs and the handling of South countries workers interests in IFAs*

For R. Hyman (1997), the task of trade unions has always been to set the largest possible solidarity spaces. In negotiating IFAs, the GUFs defend the common interests of all MNEs employees, whatever the continent, because the question is for the GUFs, firstly, to promote trade unionism, secondly, to improve employment conditions of workers in countries with low manpower costs, on the basis of local union demands. The achievement of these objectives reconcile the interests of employees from different continents for it puts an end to the competition between Northern and Southern workers on which MNEs are playing.

The international unions have always been able to take into account the interests of the most deprived workers, those of African, Asian and South American continents (Levinson, 1972; Gallin, 2008). ITUC and the GUFs possess a sociological legitimacy and always have the objective to harmonize upward the work and living conditions of employees at a worldwide level (Windmuller, 2000). Stevis (1998, p.63) states that in 1998, ICFTU is present in all five continents. “While the weight of its leadership is still from the core, the role of unions from the third world has improved significantly during the last few years” (*ibid.*, p.63). ICFTU and WCL 2006 merger has fostered Southern unions’ role in ITUC because they were very active in WCL. Stevis (1998, note 13, p.74) states that IFCTU (renamed WCL in 1968) “formed a regional organization in Latin America and brought non-European unionists into its leadership, during the 1950s. By 1961, African delegates accounted for 37% and Latin American delegates for 29% of those participating at its congress”.

IFAs usually contain a commitment by the company to respect fundamental principles and rights at work mentioned in ILO conventions i.e. freedom of association, collective bargaining, non-discrimination, abolition of forced labour, elimination of child labour. In the case of FT IFA, the union negotiators, of whom several were African unionists, obtained from the management two commitments going beyond the framework set out by the ILO: the prevention of corruption and the prevention of pandemics. These clauses are dictated by practical realities, and are defended by the African UNI Alliance chairman.
The IFAs commitments taking up ILO core conventions are essentially intended to protect Southern workers. However in Accor and Danone groups, the principle of unionisation freedom, recalled in their IFAs, has allowed to unionise American workplaces.

**GUFs successes in enforcing IFAs**

Even IFAs concluded in a communication purpose can be grabbed and used by unions. Wills (2002) demonstrates this in Accor group case. Moreover IFAs have not always the effects intended by the company negotiators. Thus the commitment of FT leadership is limited to "neutrality" about unionisation freedom. "When a union is not present in a firm of the group, FT will have a neutral position to either assist or prevent the union to settle". But African employees and unions, with the help of UNI Alliance, grab this motion to create unions in the African FT subsidiaries that had none. Three unions have been created in the group subsidiaries despite local management reluctance. Other unions are in progress.

The issue of the coordination between international, national and local union levels is very important for the success of IFA implementation. During the Danone "Biscuits" activity restructuring (2001), coordination between union levels has been formalized in the steering group augmented with union representatives of restructured units. The steering group met regularly and has monitored the progress of employees’ redeployment. More informal links also occurred between local unions, national sectoral federations and GUFs.

During the FT agreement implementation, the GUF affiliates have a crucial warning role: "We, the employees and UNI affiliates, have to bring up information from the UNI [...] as we did by sending a letter to the UNI General Secretary and it is through this back and forth that a pressure is under France Telecom ... "(UNI affiliate, Ivory Coast) (Ngaha, Barreau, Arnal, 2010).

Unions succeed in enforcing IFAs due to the numerous links created between union levels and due to knowledge exchange and creation (Barreau, Ngaha, 2010). Paradoxically, unions must fight to enforce unionisation rights in MNEs subsidiaries located in South countries but as well in North America.

The IFAs implementation successes reinforce GUFs status of international interlocutor before MNEs top managements, assert GUFs stand when negotiating new IFAS, consolidate ties of trust with their affiliates which are given a mandate to bargain.
**Conclusion**

The authors and experts that were pessimistic as regards a possible development of transnational collective bargaining had under-estimated the adaptation capacities of GUFs and MNEs top managements. However their predictions occurred in American MNEs, with a few exceptions.

The legal framework deemed essential by Caire still does not exist (cf aborted attempt from the European commission (Barreau, 2010). But still IFAs possess enforcement power which is based on local actors mobilization and GUFs help and intervention.

A fourth stage with respect to Levinson’s theory might be reached. In the tradition of North American model, Levinson only foresees the development of company negotiation. However an international industry collective bargaining might develop. That precisely to this that GUFs general secretaries aspire. Bourque (2005) states that GUFs general secretaries are very busy in preparing, negotiating and following up IFAS but the negotiation of international industry collective agreements however remains their ultimate objective. That is precisely the situation we are moving towards through the imitation-prevention effect to which GUFS are subjected.
References


BARREAU Jocelyne et NGAHA Angélique (2010), « Are IFAs useful instruments for the Trade Unions ? », 26th European Group for Organizational Studies, EGOS, colloquium, National Culture and Globalization : articulations and interplays, Lisbonne, 1-3 July 2010


CAIRE G. (1978), « Multinationales et relations professionnelles », Tiers Monde, tome XIX, n°74, p. 371-396


CAIRE G. (1980), Entreprises multinationales et relations professionnelles, CRESST, Centre de Recherche en sciences Sociales du Travail, Sceaux, Université Paris-Sud.


GLOBAL UNIONS, Remettre le monde en marche, mai 2009


LEONARD E., SOBCZAK A. (2010), « Les accords transnationaux d’entreprises et les autres niveaux de dialogue social », Courrier hebdomadaire, CRISP, numéro 2050-2051


STEVIS D. (1998), “International labor organizations, 1864-1997: the weight of history and the challenges of the present”, *Journal of World-systems research*, vol.4, n°1, winter, p.52-75

