Global Labor Movement Pressing for New Form of Cross-Border Agreements

*International Framework Agreements (IFAs) Seek to Commit Global Companies on Union Recognition, Restructuring of Work, Other Key Workplace Issues*

With the increased globalization of companies, many union leaders believe that labor’s pursuit of exclusively national strategies has weakened its hand. Seeking influence on issues such as union recognition and transfers of operations, many unions are pressuring multi-national employers (MNEs) to enter into international framework agreements (IFAs) with global union federations (GUFs) that create a baseline for resolving such issues at the national level. IFAs are cast as alternatives to corporate codes of conduct, which many MNEs currently have in place. According to a recent International Labor Office (ILO) report entitled *Cross-Border Social Dialogue and Agreements: An Emerging Global Industrial Relations Framework?*, IFAs “make enterprises more responsible than unilateral and voluntary charters.” As more unions pursue global strategies, as illustrated by the proposed transatlantic merger between the United Steelworkers of America and the British union Unite, efforts to achieve IFAs are likely to intensify.

**International Framework Agreements (IFAs)** Though they are clearly not the same, international framework agreements have been described as “reminiscent” of collective bargaining agreements (CBAs) because of their negotiation, content and implementation processes. Like CBAs, they are negotiated between the company and a global union federation and formalized through signatures on a written text, along the lines of the agreement below between The LaFarge Group and various GUFs. The agreement is typically made with the company’s global headquarters with the understanding that it will apply to its worldwide operations. In contrast to CBAs, IFAs do not prescribe wages, benefits and specific terms and conditions of employment; instead, they establish minimum standards for addressing those issues. IFAs typically contain three broad categories of clauses: 1) fundamental principles, such as freedom of association, non-discrimination, elimination of child labor, etc.; 2) minimum terms and conditions of employment (e.g., wages, working time); and 3) other conditions of work, such as restructuring, subcontracting, training, etc. Often, these clauses make specific references to ILO conventions that have not been ratified by the United States, which can be problematic for companies with U.S. headquarters or operations.

**Ensuring Compliance with the IFA** The mechanisms for ensuring compliance have varied but generally include active involvement of the GUF and national and local unions through joint monitoring committees, strategies aimed at shaping corporate culture and incentives for reporting violations. However, as noted in the ILO report, international framework agreements are “not legally binding instruments from a national legal viewpoint.” Thus to ensure the company’s adherence to the IFA, the union must typically look to additional strategies. The ILO report states that “the possibility of having recourse to ‘name and shame’ strategies remains, in the last resort, key to obtaining compliance.” Meanwhile, the report expresses the hope that IFAs will ultimately become institutionalized and evolve towards “more redistributive forms of negotiations, which would be more akin to traditional collective bargaining processes.”
IFAs Currently in Existence  Since the first IFA signed in 1988 between Danone and the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers Association (IUF), 62 IFAs have been entered into as of the end of 2007. Over half of these have been signed since 2003 as GUFs have picked up the pace in pressuring companies to agree to them. All but seven of the agreements are with EU-based MNEs. Among GUFs, the most successful in achieving agreements has been the International Metalworkers’ Federation (IMF), with seventeen, followed by the Union Network International (UNI) with fifteen. The Building and Wood Workers International (BWI) and the International Federation of Chemical, Energy, Mine and General Workers’ Unions (ICEM) have negotiated twelve and thirteen IFAs, respectively. The IUF has signed four other agreements in addition to Danone and one IFA each has been signed by the International Textile, Garment and Leather Workers’ Federation (ITGLWF), Public Services International (PSI), and the International Federation of Journalists (IFJ).

IFAs v. Codes of Corporate Responsibility  Proponents of IFAs generally acknowledge that MNEs have taken steps towards self-regulation through codes of conduct and other mechanisms that fall within the general rubric of “corporate social responsibility.” However, as noted in the ILO report: “These codes, important as they are, may not translate into actual improvements in workers’ rights and employment conditions.” The ILO claims three major limitations: 1) codes of conduct “often lack the kinds of monitoring mechanisms” needed to ensure that the codes are enforced; 2) they are “primarily a management tool” primarily aimed at addressing public relations needs and as a means to deflect demands for unionization; and 3) they are “not negotiated with workers.” Indeed, one commentator has suggested that, because they “reduce the demand for negotiations or external regulation,” corporate codes in some cases “have led to a worsening of the situation for those whom they purport to benefit.” L. Torres & S. Gunnes, “Global Framework Agreements: A New Tool for International Labor (2003).  IFAs are offered as an alternative that better ensures corporate social responsibility because they are “instruments negotiated with global trade unions.”

IFAs As a Union Organizing Tool  Some commentators have made very clear the linkage between IFAs and union organizing goals. Dan Gallin, Chair of the Global Labor Institute in Geneva, has written that, if IFAs primarily serve to address corporate behavior, they will be little more than a stronger code of conduct: “If, conversely, IFAs are seen and used as organizing tools, the contrast with codes becomes much clearer … In order to become a useful part of a global labor strategy, IFAs must be primarily understood and used as global organizing tools that can be evaluated by measurable outcomes.” Meanwhile, Gallin emphasizes that, among the various issues addressed through IFAs, they should confront “the employment-destroying nature of the system as a whole and “the priority should be to put a stop to outsourcing and casualization.”

New Forms of Corporate Social Responsibility  In recent years, some companies have developed new mechanisms for strengthening codes of conduct through collaboration with other companies, non-governmental organizations (NGOs), and other external entities. Because these entities have an effective presence in the countries in which they are involved, their monitoring capacity is superior to that of labor unions. Notable collaborations have included the Fair Labor Association (composed primarily of footwear and clothing manufacturers) and Project
Kaleidoscope, a multi-stakeholder effort involving McDonald’s Corporation and The Walt Disney Company. These efforts are typically dismissed by organized labor because unions are not involved. However, these criticisms ignore the active participation of highly credible NGOs and other entities as well as the engagement of strong monitoring and enforcement mechanisms that have proven extremely effective.
Example of International Framework Agreement

Agreement on corporate social responsibility and international industrial relations signed between the Lafarge Group and the International trade union federations IFBWW, ICEM and WFBW to promote and protect worker’s rights

The IFBWW, International Federation of Building and Wood Workers, is a Global Union Federation organizing more than 10.5 million members in 281 trade unions in 125 countries around the world in the building, building materials, wood, forestry and allied industries.

The ICEM, International Federation of Chemical, Energy, Mine and General Workers' Unions, is a Global Union Federation organizing workers in the Chemical, Energy, Mine and related Process Industries including Cement, Glass and Ceramics. ICEM unites 425 member trade unions from 121 countries representing in total around 20 million workers in these industries.

The WFBW, World Federation of Building and Woodworkers Unions, represents 1.5 million workers in the building and wood industry and who are organized in 55 unions in 41 countries all over the world.

Lafarge is the world leader in building materials, holds top-ranking positions in all four of its Divisions: Cement, Aggregates & Concrete, Roofing and Gypsum. Lafarge employs 77,000 people in 75 countries.

Preamble

Lafarge believes that there’s a link between social and economic progress. The interests and success of Lafarge and its employees are interdependent. Lafarge commits itself to involve its employees directly in the Group future through an open dialog; Lafarge recognizes that employees may choose to be represented by elected employees and / or trade union organizations.

The Lafarge philosophy is to develop and maintain positive relationships with its employees in accordance with the Lafarge Principles of Action1: “Lafarge responsibility is as much about complying with local and international laws and standards as it is about aligning our actions with our values. Respect for the common interest, openness and dialog, integrity and commitment are the main ethical principles of the Group and of the employees”.

Trade unions believe that decent wages and working conditions, a meaningful job with prospects, a safe and healthy working environment, the right to join free trade unions and the right to collective bargaining are preconditions for good industrial relations.
The signatories consider that this agreement is based on the joint commitment to respect human and social rights and to achieve continuous improvement within the areas of working conditions, industrial relations, health and safety standards in the workplace and environmental performance.

The signatories recognize that the subsidiarity principle is a key performance management process within the Group; therefore the signatories respect the principle that industrial relations issues are best resolved as close as possible to the workplaces.

Lafarge considers respect for worker’s rights to be a crucial element in sustainable development. Lafarge will seek to use the services of those trading partners, subcontractors and suppliers, which recognize and implement the principles listed below.

**Fundamental Principles**

Lafarge commits itself to comply with the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, the United Nations Global Compact and also the Organization for Economic Cooperation and Development Guidelines for Multinational Enterprises.

**No forced labor**
It is prohibited to make direct or indirect use of forced labor, including bonded labor and involuntary prison labor (ILO Conventions 29 and 105).

**No discrimination in employment**
All workers, whatever their workplace, shall have equality of opportunity and treatment regardless of their ethnic origin, color, gender, religion, political opinion, nationality, social origin or other distinguishing characteristics. Workers shall receive equal pay for work of equal value (ILO Conventions 100 and 111). Migrant and posted employees must be ensured at least the same rights and conditions as the national workforce working in the company.

**No use of Child labor**
It is prohibited to use child labor in any form whatsoever: only workers above the age of 15 years, or over the compulsory school-leaving age if higher, shall be employed (ILO Convention 138). In view of their age, children under the age of 18 shall not perform work, which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children (ILO Convention 182).

**Freedom of association and right to collective bargaining**
Lafarge should uphold the freedom of association and the effective recognition of the right to collective bargaining (ILO conventions 87 and 98). The Lafarge Group guarantees that workers representatives shall not be discriminated against (ILO Convention 135).
Living wages
Workers shall be paid wages and benefits for a standard working week that should be at least at the level of current national legislation or collective agreements, as applied in the industry/sector concerned. All workers must be provided with clear verbal and written information about wage conditions in their native language. Deductions from wages, unless permitted under national law, shall not be made under any circumstances without the express permission of the worker concerned.

Working hours
Working hours shall comply with appropriate national legislation, national agreements and industry/sector standards. Overtime shall not be excessive and shall always be remunerated at a premium rate. All workers shall be given a minimum of a one day weekly rest period.

Health, safety and working conditions
A safe and healthy working environment shall be provided (ILO Convention 155). Best occupational health and safety practices shall be followed and shall be in compliance with the ILO Guidelines for Occupational Health Management Systems. All workers shall be given training on occupational hazards and shall have the means of preventing them. The signatories undertake to raise awareness of the HIV/AIDS problem and of the prevention program in compliance with the ILO HIV/AIDS code of practice.

Skills training
All workers shall have the opportunity to participate in education and training programs including training to improve workers’ level of skills so that they can use new technology and equipment. Whenever possible, the Lafarge Group in cooperation with trade unions shall develop workers’ training with a view to improving their level of skills and ensuring that they participate in their career development and increase their employability.

Implementation And Follow Up
The Lafarge Group will provide information concerning this agreement in written or verbal form in all countries where this agreement is applicable.

All signatories are strongly committed to the most widespread dissemination possible of the content of this agreement throughout the Lafarge operations. A reference group consisting of representatives of the Lafarge management and the signatory international federations shall meet at least once a year, or whenever necessary, to follow up and review the implementation of this agreement.

The Lafarge Group shall make available to the reference group the resources needed for its mission.

The annual review of the present agreement should be incorporated into the Lafarge Group’s reporting with the consent of all signatories.
All signatories agree that any difference arising from the interpretation or implementation of this agreement will be examined jointly, for the purpose of making recommendations to the signatories concerned.

**Duration**

This agreement shall remain in force unless otherwise agreed by any party giving three calendar month’s notice, in writing, to the other. The present agreement may be revised at the request of one of the signatories no later than four years after it has been signed.

Paris, September 12th, 2005
The Lafarge Group, Christian Herrault
The IFBWW, Anita Normark
The ICEM, Fred Higgs
The WFBW, Stefaan van Tourenhout