

International CRIMT Conference
Multinational Companies, Global Value Chains and Social Regulation
June 6th to 8th 2011, HEC Montreal, Montreal, Canada

Workshop:

International Framework Agreements II: Negotiating, Implementing, Networking /
Les accords-cadres internationaux II : négociation, implantation, réseautage

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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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Background: Research questions



ACCORD MONDIAL SUR LES PRINCIPES DE RESPONSABILITE SOCIALE ARCELOR

Entre :

D'une part,

La société ARCELOR SA, société mère du Groupe ARCELOR, représentée par Guy DOLLE, Président de la Direction Générale

et

Gilles BIAU, Executive Vice-President Res
Nommée ci-après « ARCELOR »

Et d'autre part,

La Fédération Internationale des Organisations Rob JOHNSTON, Steel and Health & Safety

et

La Fédération Européenne de la Métallurgie Peter SCHERRER, General Secretary
Nommées ci-après « les Fédérations Syndic »

Il a été convenu les dispositions suivantes

PREAMBULE

ARCELOR s'est engagé sur le plan mondial, avec pour ambition, de mettre à l'environnementaux et sociaux. Dans ce contexte et en vue de promouvoir l'ensemble des sites le présent accord afin de développer et d'améliorer

IUF/COLSIBA AND CHIQUITA' AGREEMENT ON FREEDOM OF ASSOCIATION, MINIMUM LABOUR STANDARDS AND EMPLOYMENT IN LATIN AMERICAN BANANA OPERATIONS

Club Méditerranée

Agreement regarding the respect for basic rights at work and mobility of Club Méditerranée employees (GE service staff) in Europe and Africa

Between:

- The Club Méditerranée company, with a head office at 11 rue de Cambrai, Paris, represented herein by Mr Olivier Sastre, Head of Human Resources
- And
- The International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations, hereinafter referred to as the IUF - Pest-Lancy/GE, Switzerland, represented herein by secretary of Trade Unions in the Food, Agriculture and Tourism sectors, hereinafter referred to as EFFAT (Rue Fosse aux Rues, Belgium) represented herein by Mr Harald retrary

of Food, Agricultural, Hotel, Restaurant, Catering and Allied Workers' Associations (IUF) represents over 10 million The European Federation of Trade Unions in the firm sectors and allied branches (EFFAT) is the IUF group.

trade union organisations have discussed social ly of certain Club Méditerranée employees from

Corporate management met with IUF affiliates in onal Labour Office (ILO) to exchange views on the sources policy.

Dialogue Committee (ESDC) was set up between Corporate management, EFFAT (then known as ECFA) organisations in the various countries concerned. The formation and consultation structure encompasses er States.

Hotel - restaurant - tourism sector is characterised by led labour and by growing difficulties in organising world.

need to develop solutions to allow Club Méditerranée in the required experience and qualifications to hold les in countries other than their country of origin, the needs of the organisation and the wishes of the provided that such arrangements do not impair itions, salary levels and other social conditions for tity.

1. Motivation for concluding an IFA

- What motivates TNC management?
- What motivates global/national unions?



2. Implementation of IFA

- How are IFAs communicated and implemented within TNCs?
- To what extent and how are suppliers also included?
- How do local operations (management, trade unions) participate in these processes?

Research Design: Case Selection

Region of origin



Industry/GUF domain



Host countries



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

Four industries (four GUFs have signed the bulk of IFAs):

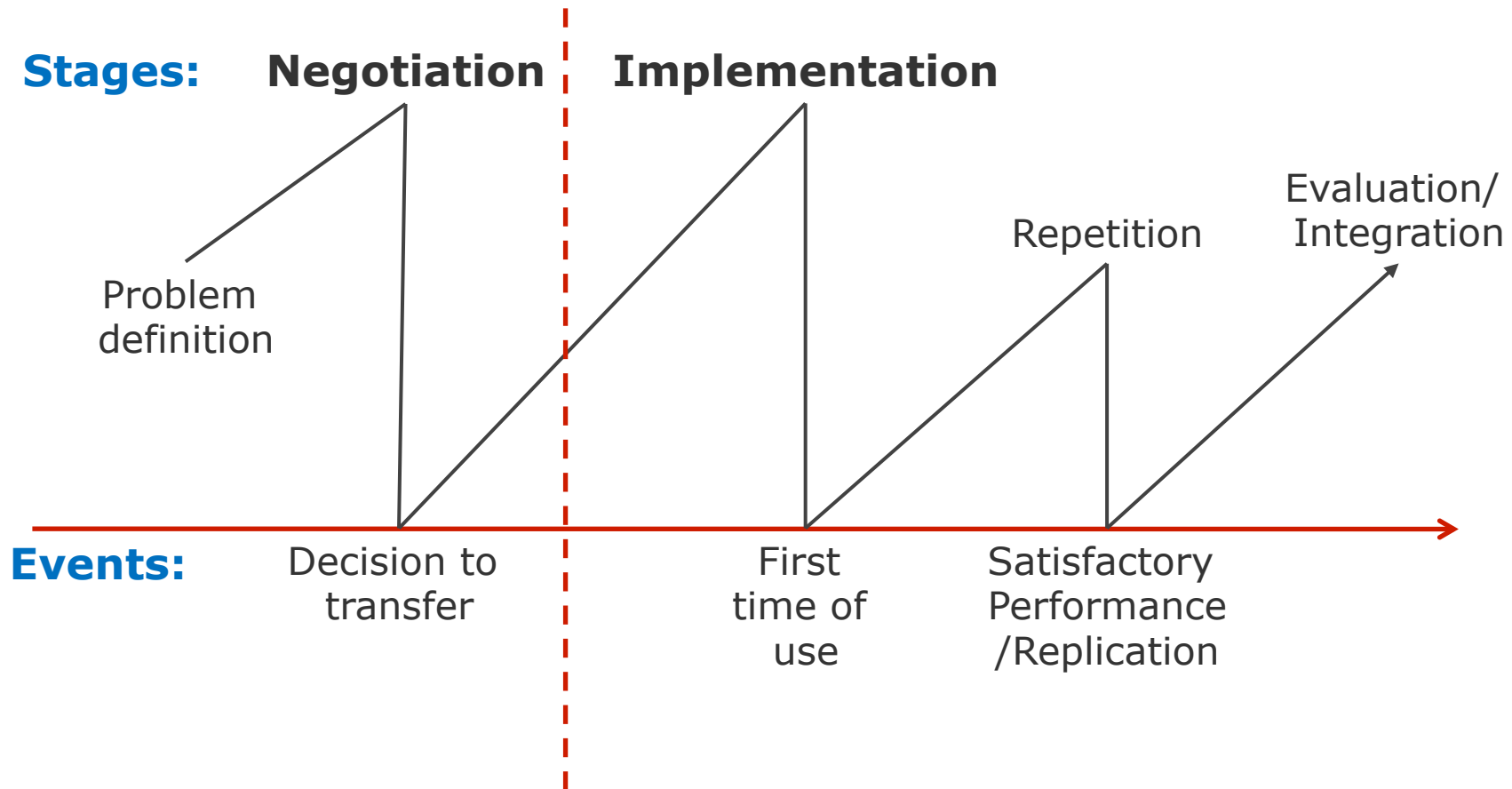
- IMF
- UNI
- ICEM
- BWI

Four host countries (due to their special position in global division of labor and industrial relations systems):

- Brazil
- India
- Turkey
- USA

Company	GUF	IFA signed (renewal)	Industry	Employees 2007	locations 2007
Metal Corp	IMF	2002	automotive	270,000	17
Wire Corp	IMF	2003	Cables & wiring	35,000	31
Build Corp	BWI	2000	Construction & development	53,000	42
Resource Corp	BWI/ICEM	2005	Resource extraction	90,000	77
Chem Corp	ICEM	2005 (2008)	Special fibers & plastics	15,000	28
Rubber Corp	ICEM	2000	Special chemicals & textiles	34,000	53
Service Corp	UNI	2003 (2008)	Facility services	438,000	62
Sec Corp	UNI	2008	Security services	560,000	120

The IFA Process: An ideal-typical transfer model



(Source: Szulanski 2000)



Negotiating Global Standards as Institutional Work: The Case of International Framework Agreements

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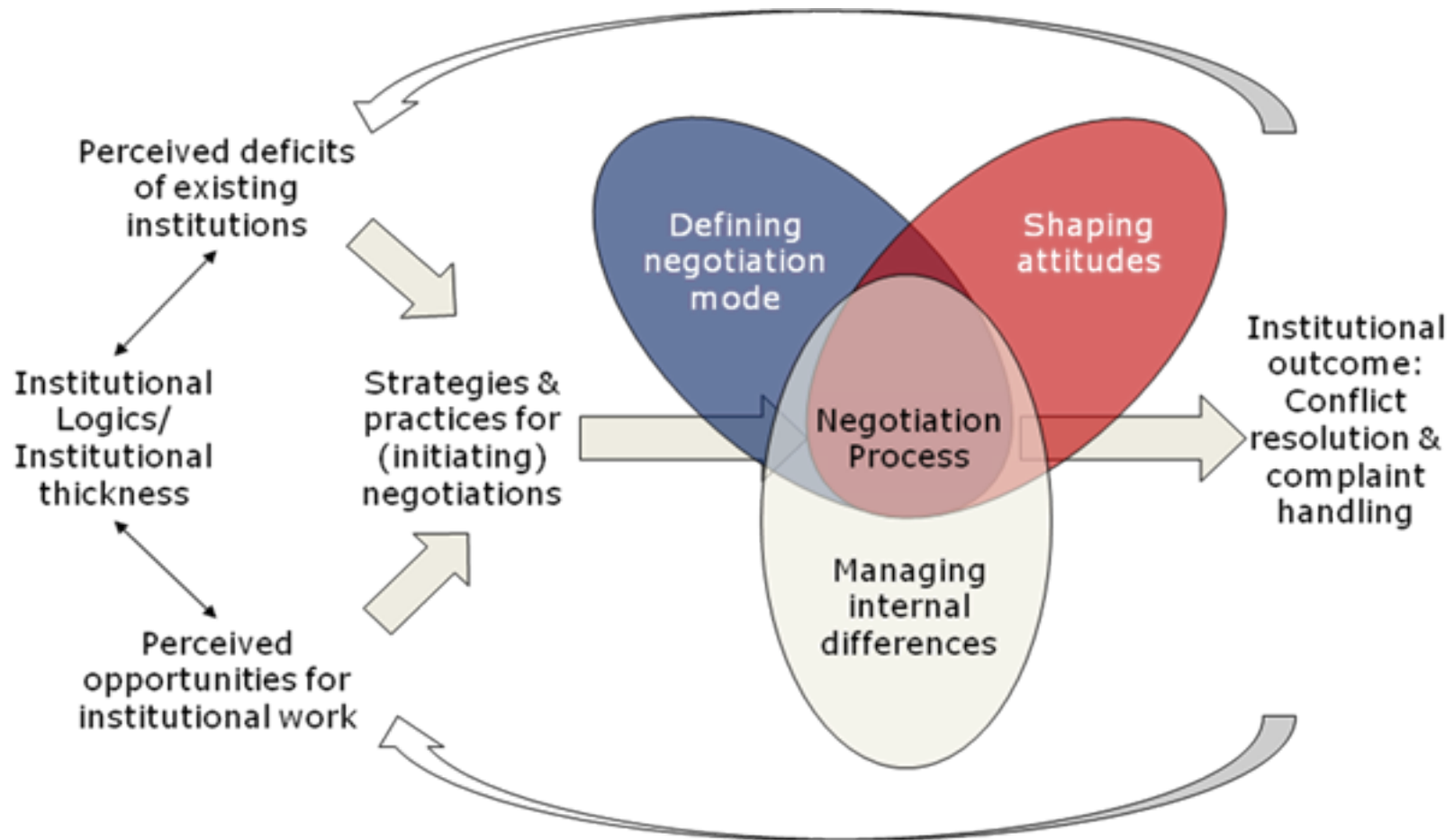
Michael Fichter
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Workshop: "Negotiating, Implementing, Networking. Insights on the IFA Process"

Argument Line:

- Globalization = weak body of institutionalized rules regarding labor
- IFAs represent a means of standardization of employment practices in TNCs and their Global Production Networks
- This standardization involves independent actors (unions) and must be negotiated and implemented
- Negotiations involve actors with differing / contradictory interests and institutional logics
- Necessity of institutional work

Negotiated Standardization as Institutional Work



Negotiated Standardization as Institutional Work

Initiating Negotiations:

pressure / institutional resources at HQ / joint initiative

Defining the bargaining mode:

distributive / integrative

Shaping attitudes:

inconsistency / conflict partnership / cooperative partnership

Managing internal interests:

selected spokesperson / co-optation / multiple actors

Institutional Outcome:

Conflict resolution and complaint handling

Cases

Company	GUF	IFA signed (renewal)	Industry	Employees 2007	locations 2007
Metal Corp	IMF	2002	automotive	270,000	17
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Negotiated Standardization			
	institutional stagnation/ hollow institutions	transforming institutions	creating institutions
Conflict resolution and feedback	informal exchange, non-resolution	extended formal structures, reactive resolution	new procedures, proactive
Case example	ResourceCorp, RubberCorp, (BuildCorp, ServiceCorp)	MetalCorp, WireCorp	ChemCorp, SecCorp

Three ideal typical institutional outcomes of negotiated standardization

Company	GUF	Year of IFA (renewal)	Industry	Employees 2007	locations 2007	sub-contracting
RubberCorp	ICEM	2000	Special chemicals & textiles	34,000	53	Market contracting

Negotiation process: institutional stagnation / hollow institutions

Initiating negotiations: By using "soft" pressure + institutional position

Defining negotiation mode: Distributive tactics

Shaping attitudes: Inconsistent relationship: parallel adversarial and cooperative attitudes

Managing internal differences: Internal coherence (?), one spokesperson, exclusion of relevant actors by other party's intervention

Conflict resolution and feedback informal exchange, external pressure only, non-resolution of complaints

Company	GUF	Year of IFA (renewal)	Industry	Employees 2007	locations 2007	sub-contracting
MetalCorp	IMF	2002	automotive	270,000	17	System suppliers, relational sub-contracting

Negotiation process: institutional transformation

Initiating negotiations: By using institutional resources at HQ level

Defining negotiation mode: Distributive & integrative tactics

Shaping attitudes: Conflict partnership

Managing internal differences: Internal coherence, co-optation

Conflict resolution and feedback extended formal structures at HQ to resolve incoming complaints

Company	GUF	Year of IFA (renewal)	Industry	Employees 2007	locations 2007	sub-contracting
ChemCorp	ICEM	2005 (2008)	Special fibers & plastics	15,000	28	Relational and market contracting

Negotiation process: Institutional creation

Initiating negotiations: By management initiative

Defining negotiation mode: Integrative tactics

Shaping attitudes: Collaborative relationship

Managing internal differences: Diversity of opinion tolerated, multiple channels for communication, but top-level control

Conflict resolution and feedback Through newly created procedures, preemptive attempts to reduce complaints

Discussion

- *Negotiations are the heart of institutional work, bringing policy goals to bear on existing institutional structures.*
- *Negotiations are a contingent process of institutional change*
- *Practices of institutional work explain the variations in outcome.*
- *Several practices influence the outcome, their relative importance may differ between cases.*

Stagnation:

“lonely” GUF agreement.

Signature over Implementation capacity

Transformative:

HQ-centered institutional change

Creation:

Comprehensive process of development with proactive approach