International framework agreements and beyond

Evidence from Turkey

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## Overview: Case companies

<table>
<thead>
<tr>
<th>Case company</th>
<th>Sector</th>
<th>Union existence (yes/no) / Name</th>
<th>Ownership structure</th>
<th>No of employees</th>
<th>Global Union Federation</th>
<th>Total no of interviews</th>
<th>Total no of interviewees</th>
</tr>
</thead>
<tbody>
<tr>
<td>MetalCorp/T</td>
<td>Metal (bus &amp; truck production / sales)</td>
<td>Yes / MetalUnion/T</td>
<td>Joint-venture (majority foreign partner)</td>
<td>7,100</td>
<td>IMF</td>
<td>9</td>
<td>12</td>
</tr>
<tr>
<td>RubberCorp/T</td>
<td>Chemicals (automobile supply industry)</td>
<td>Yes / MetalUnion/T</td>
<td>Joint venture (equal share local &amp; foreign partners)</td>
<td>385</td>
<td>ICEM</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td>WireCorp/T</td>
<td>Chemicals (automobile supply industry)</td>
<td>Yes / MetalUnion/T</td>
<td>Joint venture (minority share local partner)</td>
<td>100</td>
<td>IMF</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>OfficeCorp/T</td>
<td>Woodworking (stationary)</td>
<td>Yes / WoodworkingUnion/T</td>
<td>Joint venture (minority share foreign partner)</td>
<td>286</td>
<td>BWI</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>ServiceCorp/T</td>
<td>Service (facility services)</td>
<td>No</td>
<td>Wholly-owned subsidiary</td>
<td>22,000</td>
<td>UNI</td>
<td>5</td>
<td>5</td>
</tr>
</tbody>
</table>
## Overview: Findings

<table>
<thead>
<tr>
<th></th>
<th>MetalCorp/T</th>
<th>RubberCorp/T</th>
<th>WireCorp/T</th>
<th>OfficeCorp/T</th>
<th>ServiceCorp/T</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Does the subsidiary know about IFA?</strong></td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td><strong>Does the local union know about IFA?</strong></td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Probably yes (not sure)</td>
<td>No</td>
</tr>
<tr>
<td><strong>IFA implementation?</strong></td>
<td>Yes</td>
<td><em>de facto</em> yes</td>
<td><em>de facto</em> yes</td>
<td><em>de facto</em> yes</td>
<td>No</td>
</tr>
</tbody>
</table>
| **Evidence for (non-)* implementation** | - Unionisation  
- Collective bargaining & agreement  
- Good working conditions  
- Satisfactory wages & benefits  
- Compliance with other ILO working rules  
- Very positive labour/union - management relations  
-Same as in MetalCorp/T  
-Trainings given to suppliers about labour management & collective labour relations  
-Suppliers monitored for labour management issues | -Same as in MetalCorp/T  
-“HRM Quality Management” programme (accredited)  
-‘open door’ policy | -Same as in MetalCorp/T  
-Non-unionised labour relations  
-Difficult and severe working conditions (illegally long work hours; no overtime payments etc)  
-Low wages and few benefits for blue-collar employees  
-No job security | -According to collective agreement clauses;  
-Minor issues solved usually at the lowest (i.e. shopfloor) level  
-Rarely any major issues, solved at higher level, between company HR & union | -Same as in MetalCorp/T  
-“HRM Quality Management” programme (accredited)  
-‘open door’ policy |
| **Conflict resolution**        | -According to collective agreement clauses;  
-Minor issues solved usually at the lowest (i.e. shopfloor) level  
-Rarely any major issues, solved at higher level, between company HR & union | -Same as in MetalCorp/T  
-“HRM Quality Management” programme (accredited)  
-‘open door’ policy | -Same as in MetalCorp/T  
-“HRM Quality Management” programme (accredited)  
-‘open door’ policy | -According to collective agreement clauses;  
-Minor issues solved usually at the lowest (i.e. shopfloor) level  
-Rarely any major issues, solved at higher level, between company HR & union | -No information on formal & regular mechanism  
-Some mechanisms for internal communication |
Focus case study: MetalCorp/T

- Examples of applications in Turkey so far
  - Code of conduct translated into Turkish
  - Distributed to the workers
  - Made a part of the trainings given to the workers by the HR manager
  - Made a part of the subsidiary’s company policy
  - Used as a part of the trainings for the suppliers
  - Suppliers are monitored for the application
  - Headquarters being informed in the case of violations by the suppliers
Discussion

• IFA: a ‘different’ corporate policy
• Local implementation: differences between cases within the same national environment
• Possible explanations?
• Role of international and national (local) actors
• International actors: MNE headquarters management & GUFs
  o (un)willingness of the MNE to transfer this central policy to its subsidiaries
  o International connectedness of GUFs with the national unions: the case of non-affiliated national unions
Discussion

• National actors: subsidiary management & local unions
  o Ownership structure of subsidiary: joint ventures vs. wholly-owned
  o Local owners’ approach to employment relations
  o Local management’s attitude:
    o ideological opposition to collective labour relations?
    o strong commitment to owners’ approach?
    o (un)willingness to ‘push’ for collective employment relations?

• In addition to actors, role of the national institutional environment: legal system, industrial relations system, state’s role
Conclusions

- More (qualitative) research needed:
  - in developing / less-developed countries,
  - those significant in the supply chains of MNEs,
  - for a better understanding the transfer and implementation of IFAs and other corporate policies

- Questions? Comments? Suggestions?

- Thank you!

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