

International framework agreements and beyond

Evidence from Turkey

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INTERNATIONAL CRIMT CONFERENCE

Multinational Companies, Global Value Chains and Social Regulation



Bilkent University

Overview: Case companies

11-10-03

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



Overview: Findings

11-10-03

	MetalCorp/T	RubberCorp/T	WireCorp/T	OfficeCorp/T	ServiceCorp/T
Does the subsidiary know about IFA?	Yes	No	No	No	No
Does the local union know about IFA?	No	No	No	Probably yes (not sure)	No
IFA implementation?	Yes	<i>de facto</i> yes	<i>de facto</i> yes	<i>de facto</i> yes	No
Evidence for (non-) implementation	<ul style="list-style-type: none"> - Unionisation - Collective bargaining & agreement - Good working conditions - Satisfactory wages & benefits - Compliance with other ILO working rules - Very positive labour/union - management relations 	<ul style="list-style-type: none"> -Same as in MetalCorp/T -Trainings given to suppliers about labour management & collective labour relations -Suppliers monitored for labour management issues 	<ul style="list-style-type: none"> -Same as in MetalCorp/T 	<ul style="list-style-type: none"> -Same as in MetalCorp/T -“HRM Quality Management” programme (accredited) -‘open door’ policy 	<ul style="list-style-type: none"> -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
Conflict resolution	<ul style="list-style-type: none"> -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 	<ul style="list-style-type: none"> -Same as in MetalCorp/T 	<ul style="list-style-type: none"> -Same as in MetalCorp/T 	<ul style="list-style-type: none"> -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 	<ul style="list-style-type: none"> -No information on formal & regular mechanism -Some mechanisms for internal communication



- 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



- 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
 - (un)willingness of the MNE to transfer this central policy to its subsidiaries
 - International connectedness of GUFs with the national unions: the case of non-affiliated national unions



- National actors: subsidiary management & local unions
 - Ownership structure of subsidiary: joint ventures vs. wholly-owned
 - Local owners' approach to employment relations
 - Local management's attitude:
 - ideological opposition to collective labour relations?
 - strong commitment to owners' approach?
 - (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



- 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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