



---

International Federation of Building and Wood Workers  
Fédération Internationale des Travailleurs du Bâtiment et du Bois  
Internationaler Bund der Bau- und Holzarbeiter  
Internationella Byggnads- och Träindustriarbetar-Unionen  
Federación Internacional de Trabajadores de la Construcción y la Madera

---

54, route des Acacias  
1227 Carouge / GE  
Switzerland  
Tel. +41-22 827 37 77  
Fax +41-22 827 37 70  
info@ifbww.org  
www.ifbww.org

## **IFBWW experiences with Global Company Agreement**

### ***Contents***

**Global Company Agreements - the context**

**Practical approaches to Global Company Agreements – the process**

**How to use Global Company Agreements?**

**Experiences with partner companies**

**Where do we go from here?**

-----  
© **International Federation of Building and Wood Workers, Geneva, February 2004**

The International Federation of Building and Wood Workers, IFBWW, is the Global Union Federation (GUF) representing more than 10 million members in 287 trade unions in 124 countries around the world in the building, building materials, wood, forestry and allied industries. The IFBWW's mission is to promote the development of trade unions in these sectors throughout the world and to promote and enforce workers rights in the context of sustainable development.

## **Global Company Agreements - the context**

Sustainable, safe and secure jobs are the primary issue of workers. IFBWW's industrial relations strategy is to promote long-term sustainable industrial development that includes social, economic and environmental dimensions. To strengthen national industrial relations, the IFBWW and its affiliates continue to promote social dialogue with multinational companies and employers' organisations. IFBWW strategy makes reference to a world-wide discussion on globalisation and sustainable development. Because the effects of globalisation have heightened the awareness of society about the products they buy and use. Society is more concerned about conditions of work, use of child labour, moving manufacturing plants to sources of cheaper labour, exploitation, the environment and sustainable development. Multinational Companies (MNCs) and governments are starting to pay heed to public opinion and demands. Multinational Companies (MNCs) are developing internal Codes of Conduct and signing up to global Corporate Social Responsibility (CSR) instruments like the United Nations Global Compact and Global Reporting Initiative (GRI). Other global instruments to measure the performance of MNCs are the ILO Tripartite Declaration of Principles concerning Multinational Companies and Social Policy and the OECD Guidelines on Multinational Companies.

This paper focuses on the concept of Corporate Social Responsibility (CSR) related to codes of conducts adopted by companies. As part of MNCs' business strategies, in large part in outsourcing and subcontracting, MNCs companies adopted codes of conducts which apply to the labour practices of their suppliers and subcontractors. The Global Union Federations, including the IFBWW, have abandoned the expression "Code of Conduct" in favour of "International Framework Agreement" or "Global Company Agreement". The reason is that the former expression is often used for "unilateral" initiatives by the management, without any reference to ILO Conventions and therefore frequently of questionable value for labour. Many of these "codes" are instruments for PR or marketing purposes. These "supplier codes" were a response to negative publicity related to exploitation and abusive labour practices in the production of famous brand name goods. These supplier codes became a means of "risk management" for brand reputation. Codes and management systems addressing other risks, such as possible bribery and corruption scandals, were also developed as well as human resource policies in order to achieve high productivity and good business by respecting labour standards and motivating and training employees.

Risk management, became one of the strongest components for MNCs to sign Global Company Agreements with Global Union Federations which have a global network of member organisations around the world. The value added for MNCs is that trade unions are able to discover severe workplace problems (which are not solved locally) at an early stage and take action before it becomes an issue for the media and the image of the company is damaged. Workers and their trade unions function as an alerting system for partner companies, which receive "in house" information on bad management practices, corruption and bribery in subsidiary companies or in the supply chain.

Multinational companies signing Global Company Agreements with Global Union Federations (GUF) commit themselves to respect workers' rights based on the core conventions of the International Labour Organisation (ILO). In addition, the company should also agree to offer decent wages and working conditions as well as to provide a safe and healthy working environment; and in many cases they contain a complaint and/or monitoring system and cover also suppliers and subcontractors. Some consider framework agreements to be negotiated codes of conduct with complaints systems; however, this is not a useful way of looking at these agreements which are qualitatively different from codes of conduct. These framework agreements constitute a formal recognition of social partnership at the global level. These agreements provide a global framework for protecting trade union rights and encouraging social dialogue and collective bargaining. Therefore they complement and do not substitute for agreements at the national or local level.

IFBWW signed several "International Framework Agreements" or global company agreements namely with IKEA (furniture retail, Sweden), Faber-Castell (office material, Germany), Hochtief (construction, Germany), Skanska (construction, Sweden) and Ballast Nedam (construction, Netherlands). The global agreements include active involvement of IFBWW affiliates in countries of origin of the MNC and countries of operation in the initiation, implementation and monitoring of the agreements. In principle, these employers show that they are serious and fair, in favour of good industrial relations at the workplace, feel responsible for the whole supply chain in their company and are open-minded to trade union activities. However, it has to be realised that without vigilance from consumers, unions and other groups, companies are not likely to advance a Corporate Social Responsibility (CSR) process very fast. It also has to be recognised that a serious process towards a better CSR profile of a company takes time and can be costly. Companies have to live up to their commitments, but so should governments, which is a serious problem in many countries. Governments have

to put in place a good legal framework for the labour market which has to be implemented and monitored.

### **Practical approaches to Global Company Agreements – the process**

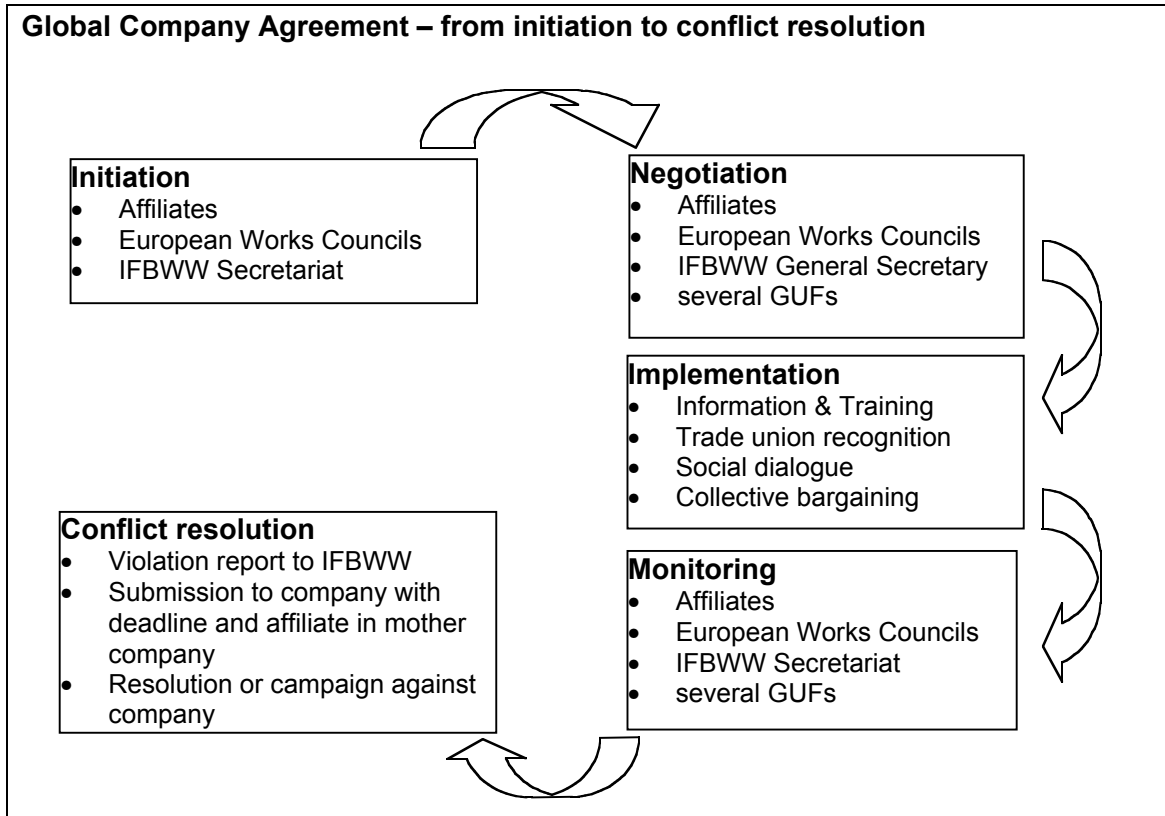
Normally discussions about possible agreements are initiated by IFBWW affiliates in the country of origin of an MNC. Sometimes initiatives are taken by European Works Councils (SKANSKA) or through other forms of co-operation on, for example, sustainable development (Lafarge). IFBWW, International Union of Chemical, Energy and Mine Workers (ICEM) and the Christian World Federation of Building and Wood Workers (WFBW) are currently initiating the framework agreement with the French-based company Lafarge. This is a new approach reflecting multi-unionism in certain countries which belong to different GUFs and new forms of co-operation such as with the WFBW.

The IFBWW developed a model framework agreement as a minimum-level basis for negotiations, which commits the parent company and the supply chain and subcontractors' compliance with ILO core conventions, but also to decent working conditions, health and safety, HIV/AIDS prevention, housing and employment relationship and a process of monitoring and follow-up are put in place.

Before reaching an agreement with a company there are normally intensive contacts and discussions about the content and meaning of the ILO Conventions and its commitment for the company. These meetings contribute to mutual understanding and trust and this takes sometimes up to two years until the agreement is signed. But this is an important investment for good implementation of the agreement. The agreement is signed by the IFBWW General Secretary and normally by a union leader in the mother country, as contractual partners on behalf of IFBWW, which has to be endorsed by the IFBWW Management Committee.

Once framework agreements have been signed, the company has to ensure that a management system is in place which guarantees the implementation of the agreement. However, the most important part of the implementation process is that these agreements must be given meaning and life by appropriate information and education campaigns that will ensure that the workers affected by the agreement are aware of its existence and the meaning of its content. As part of the agreement, the IFBWW partner company has to inform its companies, suppliers or contractors about the content of the agreement. IFBWW, on the other hand, has implemented a series of seminars and an information campaign for its members. However, an IFBWW survey

shows that only little information is available at the workplaces and to the trade unions around the world. This is one area of possible co-operation between IFBWW and the MNCs. Both parties can develop a joint information and education program targeting a number of countries every year.



In practice, the implementation of framework agreements is not as easy as companies would wish. In particular, they have serious difficulties in applying them to suppliers and subcontractors and there are many reasons for this: Often it depends on the volume of purchase from a supplier to enforce certain standards; or after a merger or take over of a company in a country with a bad industrial relations record. Management and sometimes also trade union attitudes and cultures take time to change in order to accept a co-operative social dialogue.

IFBWW experience is that companies are interested in safety, health and environment, areas in which they are vulnerable and sensitive to any bad publicity. In the IFBWW Global Health and Safety Program we have begun a few initiatives with Skanska, IKEA and most recently with Lafarge and the cement sector on practical work on prevention of injuries and ill health and discussions on the ILO health and safety management system. In these areas we can demonstrate the positive impact that organised workers

with trade union safety representatives can have, in particular through joint management-union safety committees in the workplace.

The real challenge for strategies built around Framework Agreements is largely one of monitoring and verification. IFBWW sees the work of the reference or monitoring group, which is normally composed of one representative of the IFBWW secretariat and one union representative from the mother country and management representatives, as to exchange and develop views on the management system and defined standards, and to check whether they are in compliance with the agreement. In some cases IFBWW and its partner companies pay visits to suppliers' countries in order to have some reference of the level of standards and implementation.

Responsibility for monitoring of companies lies often with auditing and accounting companies, providing certification on a commercial basis. There are many problems with this process, such as auditor's ignorance of labour rights issues or the reality of working conditions; the extraordinary scale of sub-contracting chains in our industries, which would require an army of auditors to verify compliance with the standard; and the marginalisation of trade unions in representing the workers' interests. Some IFBWW Framework Agreements are verified by internal monitoring groups composed of union and company representatives, and by the unions nationally and locally. In any case monitoring is expensive and time-consuming to organise, depending on the complexity of the company concerned.

Trade unionists need to be careful about "monitoring", "independent monitoring" and "verification" of framework agreements. The word "monitoring" implies a continuous presence of the kind that companies and their auditing companies cannot perform. For example, many of the ways in which workers can be intimidated, discouraged or prevented from joining or forming trade unions are difficult to detect. The only real test that workers' freedom of association or the right to collective bargaining are being respected is the existence of a functioning trade union representation and a collective agreement. IFBWW believes that the only real system of "independent monitoring" of workplaces is by the workers themselves through their trade unions. In this process the IFBWW secretariat is totally dependant on actions from affiliates in countries of operation to report on cases and from affiliates in the country of origin to take action and discuss with the head office of the MNC. Once the IFBWW secretariat receives the information from the affiliate - in some cases by other groups - the secretariat submits the case to the company and informs the national affiliate and asks for corrective actions. If there is no response from the company or the company is not able to resolve the conflict, the IFBWW launches a global campaign to put pressure on the company.

In addition, IFBWW emphasises the need for sustainable reporting, for example based on the guidelines of the Global Reporting Initiative, which creates more transparency for trade unions and other stakeholders.

## **How to use Global Company Agreements?**

The purpose of global company agreements is to assist affiliates to get recognised as unions and to start a social dialogue on the company and national level with companies, suppliers and subcontractors of IFBWW partner companies. This should lead to collective bargaining and finally to improved working conditions and better wages. However, the success of any global company agreement will depend on the strength of the unions at the national level and full implementation of the global agreements is only possible when workers are organised in free trade unions and are able to bargain collectively at the national and enterprise level. Effective implementation of the global agreements should be seen as an on-going and long-term process. The extent to which we use this opportunity to advance our trade union work is also important.

Currently, only a handful of unions are active in using the framework agreements and many are unaware of their purpose or even of their existence. The reasons for this may vary, but the most important reason is of course lack of knowledge and therefore intensive training is required. There are also unions that are sceptical to the use of voluntary agreements as compared to legislative measures for companies. A precondition for a global agreement to function is that there is an established social dialogue and good industrial relations in the country of origin of the MNC, in many countries of operation there is no such climate in industrial relations and therefore there is a certain scepticism about using the agreements.

Some affiliates made some breakthrough in using these agreements. The Polish affiliates were able to organise nine (9) IKEA-owned companies, Swedwood. The Malaysian timber union also organised two (2) IKEA suppliers. North American affiliates have been using these agreements with SKANSKA and Hochtief to establish unions at construction sites. Workers' representatives were elected in Faber Castell factories in Malaysia and China. These are encouraging developments but still far from what needs to be done.

With the development of global framework agreements, IFBWW is becoming more relevant to trade unions not only in developing but also in developed countries. International solidarity, for a vast number of unions in developed countries, is seen as

primarily a political or moral support for unions in developing countries. Globalisation has changed the landscape of industrial relations with more and more workers employed directly or indirectly by MNCs. IFBWW is extending its scope by evolving from a solidarity organisation to a global social partner organisation involved in industrial relations at the global level. IFBWW has also developed social dialogue with employers' organisations such as the Confederation of International Contractors Associations (CICA) and its member organisations on the regional and global level.

## **Experiences with partner companies**

### **IKEA (furniture, Sweden)**

The Swedish furniture company IKEA and IFBWW signed an agreement on the promotion of workers rights' at IKEA wood suppliers in May 1998, a process initiated by the Nordic Federation of Building and Wood Workers and the Swedish Wood Workers' Union (now Forestry and Wood Workers' Union). The IKEA Group introduced its own Code of Conduct for all their suppliers in the year 2000. The IKEA/IFBWW agreement for wood suppliers was therefore revised in December 2001 to include reference to this new company Code of Conduct, "The IKEA Way on Purchasing Home Furnishing Products, IWAY". IKEA also established a compliance and monitoring group, as part of Group Staff Social and Environmental Affairs, to support and follow up the implementation of "The IKEA Way on Purchasing Home Furnishing Products" at IKEA's trading service offices. This IKEA compliance group held workshops and trained representatives at all IKEA trading offices. IKEA is implementing action plans for improving conditions at suppliers, according to the demands set out in "The IKEA Way on Purchasing Home Furnishing Products". IKEA states that its own staff at 43 trading offices around the world works closely with suppliers to implement the IWAY and to correct violations. Some 80 trained auditors make audits and establish action plans based on non-compliance. The auditors take active part in the follow up of the corrective actions at the suppliers. Numerous re-audits follow each action-plan. According to IKEA, as per September 2003, more than 20,000 corrective actions have taken place at IKEA's 1,600 suppliers in 55 countries since autumn 2000, and more than 50,000 corrective actions are in progress. IKEA also uses third-party auditing companies to conduct audits at suppliers and to verify working methods and results.

In year 2002, IKEA prepared a new set of IWAY documents and requirements for their suppliers of Home Furnishing Products, which came into force as from February 1, 2003. The monitoring or reference group of IKEA and IFBWW, consisting of Kjell Dahlstrom, President of the Swedish Forestry and Wood Workers Union, as

representative of the NFBWW and Marion F. Hellmann from the IFBWW Secretariat, and IKEA representatives, did not intend to monitor working conditions or measure the dust and noise level in different supplier companies and countries. It was rather to assist the development of IKEA standards and the management system of securing international accepted labour standards and to develop good industrial relations between the suppliers and the IFBWW member unions. The monitoring group paid visits to suppliers in Slovakia, Hungary, Malaysia, Romania, Poland, Thailand and Laos. The most recent mission of the reference group was in China in March 2003.

The IKEA Group and the IFBWW paid a visit to Beijing in late March 2003. The initiative was taken based on the results from Code of Conduct audits of IKEA Suppliers in China during the last 2.5 years. The IKEA Group introduced its Code of Conduct, "The IKEA Way on Purchasing Home Furnishing Products" on September 1<sup>st</sup> 2000, and since then extensive development and auditing of all IKEA suppliers have taken place also in China. The audits performed by the five IKEA Trading Service Offices and the IKEA Compliance team in co-operation with 3<sup>rd</sup> parties have identified some specific difficult issues where special efforts are needed to improve the situation. More specifically, areas like excess working hours, lack of overtime compensation and poor handling of hazardous waste were addressed during the visit. During the visit meetings was held with the Beijing Municipal Labour & Social Bureau, The China Enterprise Confederation, Chinese Association of Environmental Protection Industry and the All-China Federation of Trade Unions to address the difficult issues and to discuss different views of the problems. The outcome of the meetings and visits was a better common understanding of the laws, practices and problems and some creative ideas on how to create some "Good Examples" involving all important stakeholders. IKEA have started a project at a supplier in South China with the aim to reduce working hours and increase productivity with no reduction of wages. In February 2004 it will be extended to five more suppliers. The aim is to develop one good example in each sector. IFBWW is now invited to develop a proposal for workers' involvement in the improvement of the working environment.

Since 1998, the IFBWW has received complaints on violations of the IWAY, from affiliates in Thailand, Malaysia, United Kingdom, United States, Canada and Netherlands. Most of the complaints make reference to ILO conventions 87 and 98, the right to organise and collective bargaining, which are not respected by IKEA suppliers. The complaints have been followed up by the IKEA management.

In 2002, the Dutch trade union confederation FNV undertook research on IKEA in order to obtain a general picture of the company. FNV is of the opinion that IKEA provides very little public information and lacks transparency about the implementation of the IWAY standards, to what extent they are put into practice, and how compliance is monitored. The study concludes: "The case studies in India, Bulgaria and Vietnam, although showing a different situation in each country, make it clear that there are still

numerous violations of IKEA's code of conduct in all three countries in all factories researched." IKEA, FNV, the research institute SOMO and the Global Union Federations, the IFBWW and the ITGLWF met on 27 August 2003 to discuss the findings of the report. IKEA stated that the results of the research came as no surprise to them as a result. IKEA's own audit system has made similar findings and these problems are not specific to IKEA suppliers or any specific industry. Some issues will take time to solve, because they require fundamental changes to society in certain countries. The unions expressed their appreciation for IKEA's efforts at improving working conditions at suppliers so far, but have also pointed to the fact that IKEA's system is not transparent enough and that trade unions must be more involved in monitoring and verification at the workplaces.

The IKEA/IFBWW reference group met on 30 Sept -1 Oct 2003 in Stockholm and developed a joint "work programme" 2003/2004.

- IKEA invited IFBWW to assist in the improvement of working conditions for Chinese workers in their suppliers located throughout China. This is within a current project on overtime reduction and increasing productivity carried out by the British consultant firm called Impactt (see above box).
- IKEA will invite IFBWW affiliates in Malaysia and Indonesia to participate in a Compliance audit in each country with the purpose for them to gain a knowledge and understanding of the IWAY process and procedures.
- IKEA continues to develop present auditing procedures in a dialogue with IFBWW.
- IKEA will get more transparent on auditing procedures and results. In spring 2004, IKEA will publish its first report about Social & Environmental issues on the Internet. IKEA will not give out general supplier information e.g. supplier lists, for legal and competitive reasons.

Swedwood, IKEA- owned companies, and the Polish and Swedish IFBWW member organisations started a social dialogue project in 2002 with the objective to establish sound industrial relations and trade union representation on the company level in Poland. The unions report that 9 out of 12 Swedwood factories are unionised in the meantime. The Polish unions very much welcomed this management/trade union approach because the unions are able to organise workers and start collective bargaining and are part of a sound industrial relations system.

### **Faber-Castell (pencils, Germany)**

Three years ago, Faber-Castell, the IFBWW and the German Metalworkers Union "IG Metall" co-signed a jointly developed agreement, which is valid internationally. Under this agreement, Faber-Castell voluntarily undertakes to guarantee employment and working conditions in all the Group's companies worldwide according to the recommendations of the International Labour Organisation (ILO). These include, for example, the prohibition of child and forced labour, no discrimination and payment of minimum wages, among other things.

The compliance with the "Code of Conduct" is examined in all facilities every two years. The audit committee is composed of representatives of all plants and trade unions in the regions concerned.

The results of the first audit in 2002 are good: all plants were able to document compliance with the social standards. An action plan to be implemented by 2004 includes the following points:

- Elimination of occasional minor differences in pay for comparable work remaining between men and women (Europe)
- Strengthening of local trade union structures (Peru, Malaysia and China)
- Further improvement of working conditions beyond the scope of the global agreement, for example job rotation for repetitive work sequences, focus on use of available lifting equipment, etc.

Step by step, Faber Castell plans to extend its social commitment to its suppliers as well. The first step in this process is the joint GTZ / PPP project with the Association for Technical Cooperation in India. As early as 2004, the audits will demonstrate the first successes of the extension of our social standards to our suppliers, states the company.

### **Hochtief (construction, Germany)**

Hochtief, one of the world's biggest construction groups, signed on 15 March 2000 an agreement committing it to observe - in its building activities anywhere in the world - the social standards of the International Labour Organisation (ILO). The agreement imposes the same obligation on all Hochtief's subcontractors, whose combined workforce totals many times the group's own 37,000 employees. The signatories are the Hochtief Executive Board and the company's General Works Council together with the German Construction Workers' Union, IG BAU, and the International Federation of Building and Wood Workers (IFBWW).

Since the agreement was signed some complaints have been reported to IFBWW, mainly from affiliates in the United States and the company followed up. The North American affiliate Sheet Metal Workers reported that the American Hochtief company Turner did not allow organising at a construction site. After intervention of the German IG BAU union, the management allowed access to the site.

There is no monitoring group in the agreement; however IFBWW Secretariat has easy access to management and workers and union members on the supervisory board to address breaches. The Company is following up complaints by IFBWW.

### **SKANSKA (construction, Sweden)**

SKANSKA and IFBWW signed in February 2001 an international agreement on workers' rights, which applies to all units and subsidiaries in the SKANSKA Group. SKANSKA is committing itself to comply with national legislation and all ILO (International Labour Organisation) Conventions and Recommendations that are relevant to the company's operations. SKANSKA and the IFBWW deem it important that the content of this agreement should be made known to the company's sites in the language of the respective site, and that subcontractors should also be informed of the agreement. An application group consisting of SKANSKA's Human Resources Director, the executive committee of the SKANSKA European Works Council, and IFBWW handle reporting on the compliance with the agreement and any departures from it.

SKANSKA introduced on 14 February 2002 its own "Code of Conduct" which is based on general politics, employee relationship, ethics and environment. In 2003, Skanska also published its Operating Policy and Management System, which is based on ISO 9001:2000 (quality), ISO 14001(environment) and OHSAS 18001 (occupational health and occupational safety).

The monitoring group met twice a year and dealt with complaints from Peru, Germany and United States of America, which have been settled or are in the process of settlement.

IFBWW received a complaint about various violations of workers' rights at the hydropower station Yuncan in Peru and forwarded it to the SKANSKA management for clarification. The management followed up the case and reported that there have been improvements concerning the local management, salary scale, canteen and food, milk provisions, reemployment of staff.

The SKANSKA-owned Polish company Budexpol dismissed 21 Polish workers without prior notice from the Hagen construction site after their participation in IG BAU strike action in Germany. The workers were forced to leave Germany as their work permits and visas expired and were deprived of unemployment benefits. The IFBWW called on SKANSKA to respect the SKANSKA/IFBWW framework agreement and to reinstate these Polish workers in their posts. IFBWW launched a Solidarity Appeal to all affiliates. The dismissed workers received compensation payment from SKANSKA

IFBWW was informed by its North American affiliate LIUNA, that there are unfair labour practices by Tidewater SKANSKA working on the Woodrow Wilson Bridge Project in Washington. When the union contacted SKANSKA in New York they basically ignored the agreement with the IFBWW. IFBWW was informed that the International Union of Operating Engineers has filed other unfair labour practices against Tidewater/SKANSKA. In June 2003 the IFBWW and the Swedish construction union managed to arrange a meeting between the union and the CEO of the company, where the company promised that they would not discriminate against union members in any of their workplaces.

The monitoring group carried out a mission to India from 22-24 May 2002 in New Delhi and visited the Metro Project. The monitoring group asked for improvements and for corrective actions. In the meantime IFBWW was informed that in June 2003 two workers at the Metro Project became victims of fatal accidents. Skanska investigated the case and employed corrective actions.

The monitoring group paid a visit on 20-21 October 2003 to Finland and Estonia. The purpose of the mission was to evaluate the situation of subcontractors and their compliance with the framework agreement. The monitoring group recommended some corrective measures.

The company has reacted to issues and cases raised but only after some union pressure. The European Works Council has played a positive role in pushing the company towards a better CSR policy and implementation of the agreement.

#### **Ballast Nedam (construction, Holland).**

The Dutch multinational construction company Ballast Nedam and IFBWW signed on 18 March 2002 in Nieuwegein, Netherlands an international agreement. In the Netherlands, the agreement is unique and the first one in the Dutch construction sector. Some Dutch multinationals already have unilateral codes of conducts; however,

they were not negotiated with any global trade union organisation. The Dutch construction union FNV-Bouw led the negotiations with Ballast Nedam.

IFBWW affiliates in Ghana report on their good relationship with Ballast and the existence of a collective agreement in the country. There have been no complaints from affiliates or any other organisations. Due to the critical economic situation of the company and time constraints, there has been no monitoring group meeting or any follow-up of the agreement.

### **Where do we go from here?**

Before pursuing new agreements, IFBWW affiliates are invited to develop recommendations on how we can effectively push forward and improve the implementation of these agreements.

- Through initiatives and pressure from the United Nations, OECD, governments and others, a growing number of big Multinational Companies (MNCs) have entered into a Corporate Social Responsibility (CSR) process based on a sustainable development approach including the three pillars of social responsibility, environmental protection and economic viability.
- However, the vast majority of MNCs are operating without respecting such standards. It is also known that many governments in developing countries but also in Central and Eastern European Countries do not put pressure on foreign MNCs to respect labour standards because of the need to attract investments.
- There are, however, many examples of Multinational Companies achieving high productivity and good business by respecting labour standards and motivating and training employees.

What should be our strategy concerning global company agreements?

- Our **strength** is that we already have a global network of affiliates representing about 10 million members present on workplaces, including where MNCs are operating.
- Our **weakness** is lack of trade union strength in the building, wood and forestry sectors in many countries where many MNCs are operating. Informal work is common in these sectors, especially in developing countries, but illegal use of labour is also increasing in industrialised countries,

- There are **opportunities** to use the global agreements as a platform for a better social dialogue and for organising efforts. This is our continuing strategy. However, IFBWW and its affiliates must continue to push the MNCs to implement these agreements and create more space for trade union involvement. In countries where labour legislation is weak, trade unions are not very well organised and the informal economy predominates. The process of moving towards a stable labour market with representative social partners is a long process; there, an invitation from a serious multinational company to form representative unions should be welcomed and used. Similarly, unions working in industries with substantial production in highly repressive countries, which do not respect workers rights and ILO standards, have to recognise that the possibilities of strong and independent trade unions emerging in the short term are very slim. By establishing Framework Agreements with companies investing in production in such circumstances, at least workers might be able to escape some of the more extreme denials of their rights, and some space might have been created for trade union development .
- The **risks** involved include if companies are not making serious internal changes, but use the agreement as a whitewashing tool and unions are accused of covering up for bad company practices.
- There is an urgent need for more and better involvement of affiliated trade unions and for them to take greater responsibilities. This will require a training programme to assist unions to take up the challenge of recruiting and organising in those companies. If activity is restricted to the work of the secretariat and staff alone, we will not be capable of handling the necessary organisation of more than a handful of international company agreements.
- Substantially improved communication and global networking will also be needed.
- Another area that IFBWW can explore with the MNCs is piloting implementation. IFBWW and MNCs can identify countries where both can develop joint monitoring mechanism, information and education programs.
- Co-operation with ILO is needed in training of labour standards so that workers and their unions are enabled to monitor workplaces