



International Metalworkers' Federation  
**The Power of Framework Agreements**



How do you protect workers' rights where legislation is inadequate? How can you ensure respect for the ILO Core Labour Standards in all facilities of a transnational company? And how do you protect the interests of workers where unions are weak or non-existent?

International Framework Agreements (IFAs) are a relatively recent tool but one now widely used by Global Union Federations to lay down the rules of conduct for transnational companies. Since they are negotiated on a global level and require the participation of trade unions, International Framework Agreements are an ideal instrument for dealing with the issues raised by globalisation.

This is why the International Metalworkers' Federation is dedicated to pursuing IFAs in all transnational companies where our affiliates have members.

# A global instrument

International Framework Agreements (IFAs) are negotiated between a transnational company and the trade unions of its workforce at the global level. It is a global instrument with the purpose of ensuring fundamental workers' rights in all of the target company's locations. Thus, IFAs are negotiated on a global level but implemented locally.

Generally, an IFA recognises the ILO Core Labour Standards. In addition, the company should also agree to offer decent wages and working conditions as well as to provide a safe and hygienic working environment. Furthermore, there is an agreement that suppliers must be persuaded to comply and, finally, the IFA includes trade unions in the implementation.

## Basic IFA content

The suggested language for an IFA can be found in the International Metalworkers' Federation "Model International Framework Agreement". The essential contents are:

- The ILO Core Labour Standards (freedom of association and collective bargaining, elimination of forced and child labour, non-discrimination), preferably referenced by ILO convention numbers, or, as a minimum, a general statement that the labour standards referred to in the IFA are based on the relevant ILO conventions.
- Some engagement on the part of the target company to pressure its suppliers to implement the principles in the IFA. For example, suppliers should be "expected to implement the principles to ensure a continuing business relationship."
- An agreement on implementation, which includes trade unions and existing bodies of worldwide worker representation (e.g. world councils, world works' councils). Typically the agreement should provide for regular reports by management and consultation on any complaints that fall under the IFA.

## Codes of Conduct versus International Framework Agreements

The Global Union Federations, including the IMF, have abandoned the expression "Code of Conduct" in favour of "International Framework Agreement". The reason is that the former expression is often used for unilateral initiatives by the management, frequently of questionable value for labour. Most of these "codes" are instruments for PR or marketing purposes.

### Codes of Conduct

1. Unilateral initiatives
2. Do not necessarily recognise all core labour standards
3. Rarely cover suppliers
4. Monitoring, if any, controlled by management
5. Weak basis for labour-management dialogue

### International Framework Agreements

1. Negotiated between labour and corporate management
2. Recognise all core labour standards
3. Usually cover suppliers
4. Unions involved in implementation
5. Strong basis for dialogue between trade unions and management

## Mutually beneficial

Transnational business operations and a global economy raise issues that go beyond the reach of national legislation. Through IFAs, the ILO's Core Labour Standards can be guaranteed in all facilities of a transnational company, which is especially helpful in transition and developing countries, where legislation is sometimes insufficient, poorly enforced or anti-worker.

For transnationals, IFAs can secure good relations with trade unions and contribute to a positive public image. More and more companies increasingly see the need to respond to the growing ethical concerns of consumers and investors.

For trade unions, IFAs are a way to promote workers' rights in the global arena. The arrangement guarantees influence and the possibility of a dialogue that is mutually beneficial. Unlike unilateral Codes of Conduct, IFAs emphasise implementation - which paves the way for actual improvements.

## **Our role**

The significance of IFAs is ensured by the involvement of trade unions in the negotiating process as well as implementation. Through its Action Programme, the International Metalworkers' Federation (IMF) has the mandate to negotiate IFAs, and an IMF officer or a designee must sign the IFA. The IMF is the logical counterpart to global management and can therefore sign IFAs on behalf of all the affiliates who are not directly involved in the negotiations.

To support the process, the IMF has established a "Model International Framework Agreement", which can be used as a starting point in pursuing IFAs. It will also give you an idea of what we hope to accomplish in each negotiation.

## **Interested?**

Do you want to know more about IFAs? Do you want to assist the IMF in achieving them? Please contact the IMF or look up [www.imfmetal.org/ifa](http://www.imfmetal.org/ifa).



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