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**Organization and Regulation of Employment Relations in
Transnational Production and Supply Networks.
Ensuring Core Labor Standards through International Framework Agreements?**

"International Framework Agreements:
Ein Instrument der Mehr-Ebenen-Governance auf dem Prüfstand"
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Abstract

The purpose of the proposed research is to increase our understanding of International Framework Agreements (IFAs) negotiated by Transnational Corporations (TNC) and Global Union Federations (GUF) as instruments for regulating labor standards and employment relations within TNCs and throughout their global value networks. In the context of discourses on global governance, corporate social responsibility and global value networks, and in regard to the question of arena creation through the transnationalization of labor relations, our thirty month research program based on in-depth case studies will focus on the questions of motivation and implementation of these agreements. Available research has provided valuable insights into their written content as well as the interests, intentions, and understandings in particular of the labor representatives in the social partnership realm of TNC Headquarters responsible for negotiating and monitoring IFAs. Our proposed research will extend the boundaries of the current state-of-the-art in research on IFAs to include management strategies as well as the subsidiaries charged with implementation and their suppliers, thus adding significantly to a general understanding of motivation and implementation as well as the conditions under which IFAs as instruments of "good practice" may be used and proliferated.

Our interdisciplinary approach combining resources and research know-how in regard to management strategies and global value networks (Sydow) and labor policies in the political economy of globalization (Fichter) is particularly suited to analyzing, interpreting and understanding IFAs as well as determining their relevance as a multi-level social partnership instrument of global governance, corporate social responsibility and the regulation of labor and employment relations in a global context.

Kurzfassung

Ziel unseres Forschungsvorhabens ist es, Internationale Rahmenabkommen (IFAs) als Regulierungsinstrumente für Arbeitsstandards und Arbeitsbeziehungen in Transnationalen Unternehmen (TNU) und ihren globalen Wertschöpfungsnetzen zu erforschen. Im Rahmen der akademischen Diskurse zu Global Governance, zur sozialen Verantwortung von Unternehmen (CSR) und zu globalen Wertschöpfungsnetzwerken sowie in Bezug auf die Frage der Arenenentwicklung durch die Transnationalisierung der Arbeitsbeziehungen liegt der Schwerpunkt unseres dreißig monatigen, auf intensiven Fallstudienanalysen gestützten Forschungsprogramms auf den Grundfragen von Motivation und Implementation solcher Abkommen. Bisherige Untersuchungen haben wertvolle Erkenntnisse zu den Inhalten von IFAs und zu den Interessen, Vorhaben, Ziele und Selbstverständnissen vor allem der Arbeitnehmervertreter erbracht, die im sozialpartnerschaftlichen Umkreis von TNU-Hauptverwaltungen für die Aushandlung und Überwachung von IFAs zuständig sind. Mit unserem Vorhaben soll diese Erkenntnisgrundlage der IFA-Forschung um die Managementstrategien und die Ebenen der TNU-Niederlassungen, die mit der IFA-Anwendung beauftragt sind, sowie ihre Zulieferer, erweitert werden. Damit wollen wir einen wesentlichen Beitrag zum allgemeinen Verständnis von Motivation und Implementation sowie zu den Bedingungen leisten, unter denen IFAs als Instrumente von "good practice" eingesetzt und von weiteren TNU übernommen werden könnten.

Unser fachübergreifender Ansatz bringt Ressourcen und Forschungserfahrungen in Bezug auf Managementstrategien und globale Wertschöpfungsnetzwerke (Sydow) sowie Arbeitsbeziehungen im Kontext der politischen Ökonomie der Globalisierung (Fichter) zusammen und ist deshalb besonders für die Analyse, Auswertung und Bewertung von IFAs und ihre Relevanz als Multiebenen- und sozialpartnerschaftliche Instrumente von Global Governance, sozialer Verantwortung von Unternehmen und der Regulierung von Arbeit und Arbeitsbeziehungen in einem grenzüberschreitenden Kontext.

1. Introduction: Globalization and the world of work

One of the most obvious and far-reaching impacts of globalization is on the world of work. Millions of people are affected directly and indirectly at their workplace, in their training institutions or on the job market by dynamic restructuring processes across national borders often far removed from their immediate surroundings. "For people in their everyday lives, there is perhaps no sphere of social life so consistently bombarded with globalist accounts as that of production and work." (Amoore 2002: 1) This economic globalization has not, however, been flanked by global social measures; indeed, a lowering of social protection standards in the name of competitiveness, flexibility and the elimination of protective instruments of decommodification has been far more commonplace. As firms grow and reorient their business strategies toward global market demands, governments compete to provide them with optimal conditions for investments and profitability. Despite the increasing transnationalization of labor markets, setting standards for wages and working conditions is still dealt with within national boundaries, primarily as a workplace issue marked by employer discretionary or unilateral action, but also, where organized and institutionalized, dependent on a mixture of state regulations and negotiated contracts between national employer and employee representatives.

In this context, trade unions have generally been on the defensive in the challenge to parry the expansionary offensive of trans-national corporations (TNC) in the context of liberalization and deregulation processes. Where once strong, their recognition as regulatory actors is eroding; where weak, stemming the tide of commodification has been considerably more difficult. Beyond the national level, their capacity to negotiate binding regulations has always been minimal.¹ Cross-border cooperation among national union organizations from often extremely heterogeneous labor relations settings is still more a programmatic goal than reality, although such activities – for example, in the EU – are an important force in addressing the often glaring deficits in employment standards generated by cross-border business activity and in extending existing labor standards beyond national borders. For their part, international trade union organizations have not been able to mount a comprehensive effort to gain binding recognition for labor standards, and despite considerable reference to its Core Labor Standards, the official institutional representative of such norms, the International Labour Office (ILO), has been unable to achieve equal status with such powerful institutions as the WTO, the IMF and the World Bank (Scherer and Smid 2000).

¹ The major exception is the maritime industry. See Koch-Baumgarten 1998, Lillie 2004.

While trade unions have often been pigeon-holed as being "historically superseded" (Castells 1997: 360) and have not drawn much public support for their efforts, increasing globalization of production and labor market competition on the one hand and the inhuman exploitation of labor in many countries around the globe on the other have fostered the growth of global information and campaign networks and a culture of international concern for the recognition of universal human rights (UN Human Rights Council 2007). In this context, support for the closing of the „responsibility gap“ in regard to the condition of labor in the global economy (Braun 2001: 258) is a key factor. Pressured by human rights interest groups and campaigns, whose efficacy is significantly enhanced by mass media and the Internet, corporations have signed on to collective guidelines and compacts as well as to the use of voluntary codes of conduct as pivotal elements of a strategy for corporate social responsibility (CSR). Such platforms, while by no means representing a move toward an encompassing re-regulation of employment, have however – seldom as an intended consequence – opened paths for securing labor standards on a more comprehensive basis.

Research Questions

This research proposal argues that the setting of labor standards and the regulation of employment relations with the goal of guaranteeing decent working conditions should be integral elements of a system of global governance. Although directed at governments, ILO core labor standards are widely recognized by private actors as agenda-setters for both unilateral action and negotiated agreements (Greene 2007). While voluntary commitment and good-will contribute to promoting involvement and creating an atmosphere of reliability and trust, a contractual basis of agreement embodying principles of (corporate) social responsibility and recognized throughout global production and supply networks seems to be essential for global governance to advance and secure a better and more comprehensive distribution of wealth and well being.

One possible approach toward creating such a contractual basis across national borders is the International Framework Agreement (IFA). Over the past decade, IFAs have become an instrument of agreement between Global Union Federations (GUF) and – predominantly European-based – Transnational Corporations (TNC) for setting labor standards and promoting social dialogue. The question is whether IFAs are developing into a multi-level instrument of global governance and social responsibility for defining a new arena of Weberian "social enclosure" (Hoffmann 2006: 609) within TNCs and throughout their supply network. In this context our research will address two main questions regarding IFAs:

- First of all, what **motivates** TNCs on the one hand, and trade unions or employee representatives on the other hand, to negotiate and conclude IFAs? What contextual factors are relevant, how and to what extent do they contribute to this process? What strategic goals does each actor attach to the achievement of such an agreement? How do these goals coincide or differ? Is there a discernable "added value" in such an agreement beyond unilateral and voluntary codes of conduct? In this context we will also be concerned with identifying not only participants (insiders) but also non-participants (outsiders) in the completion of an IFA. On the employee side, for example, were national unions at headquarters or at subsidiaries, or company employee representatives involved in the negotiation process? And on the management side, who was responsible for the negotiations, were other functional divisions and subsidiary managers included in preparations for and the conduct of negotiations over IFAs?
- A second question to be addressed is in regard to the contents of IFAs and their **implementation**, as well as their procedures for monitoring and ensuring compliance throughout global production and supply networks. How is the IFA communicated throughout the TNC and to suppliers? Where is the responsibility for the organization and implementation of the process located in the TNC? To what extent are local managers and unions informed and involved? What conditions may contribute to the negotiation of local contracts embodying the provisions of the IFA? How do IFAs impact with the bargaining agenda for employment relations at the various levels of the production and supply network both within the TNC and at its suppliers? Furthermore, is the implementation process supportive of the institutionalization of and compliance to ILO norms by states?

Both of these research questions are formulated to address core issues being raised by practitioners and academics in regard to IFAs today. Indeed, in-depth empirical research is sorely lacking on both motivation and implementation despite the fact that a more thorough understanding is crucial for determining the extent to which IFAs may be labeled instruments of "good practice" and the conditions under which their use in the regulation of labor standards can and should spread. Considering the heightened public interest in globalization and the impact of TNCs on our lives, it is astonishing that neither IFAs nor the more basic issue of labor conditions and the employment relationship in the context of globalization has been given more than cursory interest by mainstream social science discourses on global governance, corporate social responsibility, and global value networks. Indeed, outside of a small but dedicated community of scholars, trade unions and employee representatives as

collective actors rarely seem to be regarded as relevant players on the global stage (Koch-Baumgarten 2006).

In our proposed research on IFAs as an instrument for organizing and regulating employment relationships in a globalizing world we intend to draw on the theoretical and analytical tenets from these discourses both from a political science and business studies perspective, and in doing so, use the insights we gain from our research to contribute to these academic debates in the interest of raising our understanding of such processes in general and in furthering academic recognition of "processes of transnational development of structures" (Müller, Platzer and Rüb 2004: 77) in regulating employment and labor relations.

2. State of the Art: IFAs in the context of selected social science discourses

The purpose of this section is to develop our understanding of how research on IFAs may be theoretically grounded and, through its findings, contribute to furthering our theoretical and analytical tools for understanding global organizational and institutional change. In addition to the three major discourses on global governance, corporate social responsibility, and global value networks, we will also review the state of the art regarding the transnationalization of labor relations and the – still sparse – literature on IFAs.

Global governance and the relevance of IFAs

As defined by the UN Commission on Global Governance, governance is "the sum of the many ways individuals and institutions, public and private, manage their common affairs. It is a continuing process through which conflicting or diverse interests may be accommodated and co-operative action may be taken. It includes formal institutions and regimes empowered to enforce compliance, as well as informal arrangements that people and institutions either have agreed to or perceive to be in their interest. There is no single model or form of global governance, nor is there a single structure or set of structures. It is a broad, dynamic, complex process of interactive decision- making that is constantly evolving and responding to changing circumstances." (Commission on Global Governance, 1995: 1)

From the perspective of the international relations discipline, the discourse on global governance addresses the functionality and legitimacy of international institutions in the

absence of "government" (Czempiel and Rosenau 1992). For some, this is placed in conjunction with processes of "denationalization" (Zürn 1998). In classical international regime theory², which juxtaposes the anarchy of the international sphere with the sovereignty of the nation state, increasing internationalization has curtailed the capacity of states to cushion social effects of market liberalization (Ruggie 2004). Others have defined the global governance discourse as being about "re-regulation" and having both an analytical and a normative dimension (Brand 2003; Cox 1987). In particular, the ongoing debates in the political science community and among students of International Political Economy (IPE) on "global economic governance" (Schirm 2007:13) have centered on the growing power of TNCs and the extent and implications of "a worldwide tilt from states to markets." (Hewson and Sinclair 1999: 5) More recently, these debates have been both deepened and widened to recognize the impact and possible inclusion of civil society organizations in global governance, an issue with important ramifications for theoretical considerations of legitimacy and democracy (Palan 1999; Zürn 2004). Non-state actors are recognized for their role in rule making, for their competency and resources (informational, expertise, monitoring capacity, mobilization and representation power), and above all for their contribution to the implementation of decisions (Grande et al. 2006). In particular, because "the regulation of transnational socio-economic problems depends essentially on the option 'governance without government'" (Müller, Platzer and Rüb 2004: 69), increasing attention is being paid to the spread of such phenomena as "public-private-partnerships" (Börzel and Risse 2005), "global public policy networks" (Detomasi 2007), "industry self-regulation" (Haufler 2003), "transnational private authority" (Nölke 2004) and cooperative "private governance" schemes (Pattberg 2005), the existence of which attests to a piece-meal process of constructing new locations of authority in a global space.

Despite the academic interest in the role of non-state actors (including TNCs and NGOs) in the realm of international politics and economics and the broad public attention which has been given to the issue of labor standards (Greven and Scherrer 2002), within the global governance discourse only marginal attention has been directed at issues of employment and the impact of globalization on the daily lives of employees³ (Amoore 2002; Palan 1999; O'Brien 2000). And as we mentioned above, employment relations and trade unions have

² See Krasner 1982: 186, who defines a regime as "a set of explicit or implicit principles, norms, rules, and decision making procedures around which actors' expectations converge in a given area of international relations".

³ Hewson and Sinclair agree with this assessment but also point to the work of James Rosenau as "a sociology of global life". Globalization is understood to be "reaching into the level of personal conduct." (1999: 6-7).

been largely ignored in regard to global governance (Koch-Baumgarten 2006). Indeed, even those publications directed at the topic of IFAs have not generally couched their analysis in terms of a contribution to furthering the discourse on global governance. Moreover, research and theoretical considerations have generally treated TNCs as homogenous entities, rarely problematizing their internal power struggles and interest conflicts. (cf. Strange 1999; Fuchs 2004).

From the perspective of the international business discipline, global governance has traditionally been considered as a restriction on the free market activity of firms (e.g. Casson 1990). Only more recently, the role of TNCs in actively and strategically shaping global governance has drawn some research attention (e.g. Djelic and Quack 2003). Interest in the role of TNCs beyond their own firm boundaries has been increasing as well. This is most evident in the discourses on global value chains or networks (e.g. Gereffi, Humphrey and Sturgeon 2005; Fichter and Sydow 2002; Boyd et al. 2007; Locke and Romis 2007) as well as on CSR, discourses which we will address more extensively below. At this point, it suffices to confirm that for the international business discipline, IFAs are virtually non-existent, while the broader issue of employment relations and trade unions as issues of global governance for TNCs has been largely ignored.

Our Arguments

In contrast, we regard the transnationalization of social forces in conjunction with the organization of global production and sourcing as key factors of economic globalization which are in the process of "regime building". We intend to investigate IFAs as an instrument of cross-border regulation between transnational corporate management and global unions and find out whether IFAs could possibly fit the "regime" categorization. In the context of the global governance debate we conceive IFAs potentially as an emerging instrument of the global regulation of labor relations and as such a necessary component of functioning global governance. IFAs may be regarded as "soft law": They are an act of rule-setting by non-state actors which does not infringe on national sovereignty (Grande et al. 2006). To a certain degree IFAs embody the "informality" issue posited by the concept of global governance due to their lack of judicial recognition. But because of their character as a contract relationship among mutually recognized private actors, IFAs also seem to have a "formal norm-setting" capacity and increased implementation legitimacy over unilateral instruments.

IFAs as an instrument of Corporate Social Responsibility (CSR)

In its diffuseness, the concept of CSR has sparked an equally wide-ranging and disparate academic debate. In the European Union, CSR has been officially defined as "a concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment. ... This responsibility is expressed towards employees and more generally towards all the stakeholders affected by business and which in turn can influence its success." (European Commission 2001: 5) In the context of a developing public discourse over CSR, corporate management has responded with their own voluntary and unilateral Codes of Conduct and a variety of cooperative monitoring initiatives (e.g. Fichter and Sydow 2002; Müller and Rüb 2005). Beyond being designed to stem the negative publicity and its impact on shareholder value, their record as an instrument to foster decent labor standards, in low wage countries in particular, has been continually challenged by activist NGOs and trade unions on the basis of reported violations at the workplace (e.g. Wick 2003; Haan and Oldenziel 2003). Along with NGOs trade unions have criticized the unilateral and voluntary character as well as the monitoring deficits of such codes. And as van Tulder and Kolk have shown in an empirical study of the sporting goods industry, "individual companies tend to adopt codes that are less pronounced than in case codes are the result of interaction with other stakeholders. This finding underlines the importance of institutions and the establishment of common norms and rules, as put forward by institutional, stakeholder, regime and business ethics theorists." (2001: 280)

In light of such problems some have labeled CSR as a "myth" used to mask the much less pleasant reality (Hiß 2006; Fonteneau 2003) or as being inadequate in the face of reality (Rose 2007). In contrast, as political scientist David Vogel has argued in reference to the economics of profits and morality, there is "a market for virtue", but it "is sustainable only if virtue pays off. ... There is a place in the market economy for responsible firms. But there is also a larger place for their less responsible competitors." (Vogel 2006: 2-3) The question remains as to the extent to which the institutional business environment may be shaped by the way responsible consumers and union activists, for instance, are successful in ensuring that irresponsible firm behavior does not pay off.

CSR may cover a broad range of topics, but it invariably includes a voluntary commitment in principle to certain minimum labor standards. For our purposes, the CSR debate on management–employee relations serves as an applicable framework for the issue of IFAs. As in the global governance debate, the overarching issue of regulation has been at the forefront

for political scientists and has generally been addressed in terms of voluntarism versus binding legal statutes (Bredgaard 2004) or market liberalism versus an ordering political framework (Scherer and Löhr 1999). As we have concluded earlier, the voluntarism of CSR is only a first step toward comprehensive standard-setting which requires the involvement of interested and competent stakeholders to become a truly effective tool for securing good labor standards (Fichter and Sydow 2002: 375).

For Colin Crouch, the commonly referred to shareholder vs. stakeholder dichotomy does not capture the dynamics of the firm's interaction with the market and, as an organization, with its environment. His approach to the issue of "virtue" differs from Vogel in that he defines CSR as "corporate externality recognition", i.e. as "behavior by firms that voluntarily takes account of the externalities produced by their market behavior, externalities being defined as results of market transactions that are not themselves embodied in such transactions." (Crouch 2006: 1534) We do not regard externalities as being avoidable or as voluntary issues for enterprises. Indeed, TNCs are major players which can not avoid intervening with the political and social environment (see also Djelic and Quack 2003). Dealing with trade unions is one example of this interaction and falls under the category of an externality. A firm may be motivated to such activity in the interest of risk management, i.e. to reduce (possible) negative influences or increase positive ones or to enhance its reputation for sustainability. An IFA could provide both a shield against negative reactions to unacceptable working conditions as well as an incentive toward cooperative "good practices". A further motivation is seen by Crouch in the establishment of institutional trust (Crouch 2006: 1543). In regard to the regulation of labor relations and working conditions throughout a TNC and its supply network this would seem to be particularly important, as is attested to by the growth of monitoring firms.

Our Arguments

For our research, we would postulate that the institutionalized interaction with trade unions and/or employee representatives based on an instrument of regulation such as an IFA should significantly decrease the likeliness of CSR being a "myth" and becoming exclusively a market product for building reputation. Drawing on the theoretical insights from ongoing CSR debates (e.g. Journal of Management Studies Special Issue 2006 or Basu and Palazzo 2008), we will endeavor to clarify the extent to which IFAs may be regarded as an effective instrument of CSR and a part of a "market for virtue". Furthermore, we ask what impact IFAs may have on CSR policies of TNCs and why most TNCs with CSR policies have not signed an IFA.

IFAs and global value networks

The credible CSR policy of a TNC, especially in times of outsourcing and off-shoring, will undoubtedly be formulated to include references to suppliers. Indeed, there is also widespread use of such clauses in IFAs, although the language of inclusion varies widely. But as a number of studies have shown, CSR as a "top-down" strategy emanating from TNC headquarters is "insufficient and even inefficient in achieving further real and sustained improvements." (World Bank 2003: 2) Experiences with company-specific Codes of Conduct (Fichter and Sydow 2002) as well as voluntary sectoral codes (Hiß 2006) testify to the difficulties as well as the need for a comprehensive approach emanating from the structural and strategic conditions within the TNC and throughout its supply network (Barrientos 2002; Greven and Scherrer 2002).

In recent years, a number of scholars in international political economy have been researching the structure and governance of global value chains (Berger et al. 2001, Gereffi and Korzeniewicz 1994; Gereffi 1999; Henderson et. al. 2002. Early publications postulated a simple dichotomy between "production-driven" and "buyer-driven" value chains, a concept which has since been refined and differentiated (Gereffi et al. 2005). Growing academic interest in this topic (Bair and Ramsay 2003) provides a number of insights into the location of value-adding transactions (see also Baldwin 2008) and into the distribution of power, and brings the issues of organizational learning and industrial upgrading beyond the single workplace (Palpacuer 2000) more into focus. O'Brien's broad criticism that labor conditions and the regulation of labor standards in global value networks are not addressed at all (O'Brien 2000) is slowly being challenged. For some (Gereffi et. al. 2005: 85, 93), the governance of labor is an issue only insofar as firms may have to respond to a governmental regulatory environment. Others however have at least begun to discuss employment and human resource management as well as strategies for labor in terms of the global restructuring of business (Fichter and Sydow 2002; Bair and Ramsay 2003; Hayter 2004; Boyd et al. 2007; Locke and Romis 2007; Ramioul 2007). These studies also point out that independent of a particular mode of production and supply governance (market, network, or hierarchy), the governance of labor and employment relations reaches beyond the organizational borders of individual firms. Understanding this changing environment of the "inter-organisational division of labour" (Ramioul 2007: 13), is a task in analyzing the effectiveness as well as the reach and comprehensiveness of IFAs.

In the field of business studies the overall importance of networks in general and global value networks in particular has been acknowledged for some time (e.g. Sydow 1992; Rugman and D'Cruz 2000). However, the debate about Codes of Conducts, in the field of management and organization and international business in particular, has by and large been restricted to issues of motivation and implementation within the TNC, making the recognition of the importance of implementing such codes across global value networks the rare exception to the rule (Fichter and Sydow 2002; Locke and Romis 2007).

Our Arguments

IFAs as an instrument of international monitoring and local implementation may also be approached based on this discourse, as we will show in more detail below. The normative goal of achieving decent social and environmental standards in the global economy is closely linked to the development and management of cross-border production and supply relationships. Our research intends to analyze IFAs as a governance instrument and its effectiveness in providing a basic platform across individual workplaces for designating the actors and negotiating the issues. We will consider that the particular structure and management of a global value network, as well as divergent interests between the European context of IFA origin and the periphery, will have considerable impact on the implementation effectiveness of an IFA and should be recognized by the negotiating partners and signatories. Furthermore, our research will endeavor to integrally link management prerogatives derived from market considerations (including product and quality standards) with issues of labor standards. While we have no illusions about the difficulties involved, a better understanding of these based on empirical evidence from different case studies can help management and unions to focus their resources on practical steps forward.

IFAs and the internationalization of labor relations

Over the past years, processes of economic globalization have intensified the discussion in trade unions and among labor-oriented academics over the need for cross-border collective bargaining and the internationalization of labor relations. Especially in Europe, the issue is often framed in terms of the possible development of transnational collective bargaining via such stepping stones as Social Dialogue and CSR (cf. Müller, Platzer and Rüb 2004: 77-78). IFAs have also been defined in this manner by the international unions (Ryder 2003), eliciting a reply of warning by the employers (IOE 2007).

Industrial relations theory itself has generally been framed in the context of national boundaries (Haworth and Hughes 2002: 67-69) and there still seems to be no ready answer to the question posed by Hyman (2004), i.e. whether – in his terms – industrial relations theory is by definition ethnocentric. Indeed, while the spatial dimension in terms of a Weberian "social enclosure" (Hoffmann 2006: 609) or arena (Müller-Jentsch 1996) is an integral part of industrial relation theory, within academic discourses on international political economy its meaning beyond the nation state in a cross-border or transnational context has been largely neglected (O'Brien 2000). But there are scattered indications in the literature (Ramsay 1999; Palan 1999; Abel, Ittermann and Wannöffel 2001) that supra-national economic developments (EU, NAFTA) and the resurgent interest in the global power of TNCs may be spawning a new interest for the conceptualization and theoretical development of the transnationalization of labor relations. Kädtler, for example, has presented a highly differentiated analytical picture of the challenges faced by unions and employee representatives to develop new approaches in "fragmented bargaining arenas" (2006: 312), and recently, an important study by Müller, Platzer and Rüb has provided a solid conceptual basis for developing this issue in a global context.

Our Arguments

While these authors have correctly pointed to the fact that one can not yet speak of the existence of a collective bargaining "arena" in the global economy (2004: 39), the question of arena creation is still highly pertinent to our research. Are IFAs an instrument toward this end? Can they structure a framework within which issues of common interest to employers and employees in a TNC and throughout the global value network can be negotiated by mutually recognized actors? As "framework agreements", IFAs should be able to provide a "protective shield", i.e. a recognized basis of minimum standards guaranteed by the contractual parties, within which bargaining over employment issues takes place. Our research will address the topic of how such a "protective shield" raises new issues in conjunction with workplace bargaining within a particular national legal framework.

IFAs under academic evaluation

The first IFA dates back to 1988, but most of the existing 60 IFAs (January 2008)⁴ are of more recent origin (see Table 1 in the appendix).

The question as to why IFAs have been agreed upon between unions and this selection of corporations is still an open one on which more empirical research is needed. Bourque (2005) has presented an explanation using a collaborative paradigm perspective: in the 1990s, the International Confederation of Free Trade Unions (ICFTU) and the International Trade Secretariats, as the GUFs were called at the time, embarked on an intensified course of cooperation in the area of corporate social responsibility which resulted in the rapid increase in IFA signings. Fairbrother and Hammer (Fairbrother and Hammer 2005) also point to a renewal of international trade unionism in the 1990s. For them, the spread of IFAs were an outcome of the campaign for a social clause at the WTO. Despite its failure, it focused attention on the issue of core labor standards, a basic element of IFAs.

Another explanation points out that the overwhelming majority of all IFAs are with TNCs headquartered in Europe. The concentration of IFAs in European TNCs suggests that the institutional setting in the EU has laid the groundwork for the signing of such global accords (Rudikoff 2005).

Stavis and Boswell (2006) explain the emergence of IFAs as resulting from the inadequacies of global governance in regard to labor and employment relations and the growing importance which TNCs attach to corporate social responsibility. Why exactly TNC management in Europe has been more motivated to sign IFAs than its counterparts in other regions of the world, is nevertheless still an open research question. The overwhelming majority of TNCs shows little interest in such agreements and the union recognition they entail. Some authors have pointed to the importance of corporate social responsibility or to factors such as the cost benefits of high road competition (Crouch and Streeck 1997). But since CSR is endorsed by non-European based corporations as well, especially those with a "market for virtue" (Vogel 2006), its mere advocacy does not adequately explain a readiness to enter into a framework agreement with the unions. Moreover, a case may be made that there is a collective action problem in managing corporate social responsibility efforts, and TNCs may be unwilling to incur the extra costs which an IFA could entail unless they are assured that competitors will

⁴ The listing of IFAs is based on the numbers declared by GUFs. Although some of these agreements do not meet all the criteria which Hammer (2005) uses to define an agreement as an IFA, they are still included in our listing.

bear the same burdens (Detomasi 2006). Hiß (2006) argues that a "CSR myth" exists and as such, commitment to corporate social responsibility may foster visible reactions to pressures from civil society and government but does not necessarily result in its full institutionalization in the corporation's business practices.

Other explanations point to the impact of national business cultures (ICEM 2005; Ferner, Quintanilla and Carlos 2006) or to the importance of IFAs as useful tools of risk management, providing TNCs with more lead time to deal with potential labor related problems in its economic activities and also in its supply chains or networks (see the section on CSR above). Finally, there is the argument in favor of IFAs which emphasizes the fact that workers treated fairly are more productive (Rüb 2004). A number of companies have also emphasized that after signing IFAs better working relationships with unions have developed (IOE 2005). But as the International Organization of Employers (IOE 2007) points out on its website,

“many companies that have signed IFAs principally see them as a vehicle for deepening dialogue, first and foremost, and not as an industrial relations exercise. The difficulty however is that International Trade Unions see them as the latter, which might explain the growing trend of including dispute resolution mechanisms in the text of IFAs.”

Our preparatory research on IFAs identified another possible grouping of TNCs as signatories: those which had a history of good internal communication, a well-developed culture of employee relations and dialogue within formalized labor structures (the majority of the European TNCs) and those whose product or corporate brands are sensitive to public pressure. The companies of the first group are headquartered in countries with highly institutionalized systems of labor relations. In their business practices they have committed themselves to corporate social responsibility policies and the promotion of good relations with home country unions (e.g. Accor, Danone, Norske Skog, Volkswagen). For these TNCs, signing an IFA embodies the recognition and institutionalization of an existing CSR policy, which in many cases had previously been written into a voluntary code of conduct. The second group of companies includes those cases where, despite the absence of institutionalized practices, union strength and the capacity for mobilization and campaigning (sometimes in cooperation with NGOs) have brought TNCs to sign IFAs (Chiquita, IKEA, Arcelor). Key motivational factors for TNC management in this group are both the presence of strong unions and the need to present themselves as socially responsible in comparison to competitors.

The scope of IFAs

Basically, IFAs specify minimum social standards which are to be applied throughout the TNC. Most agreements also contain provisions which extend them to suppliers' employment practices. The minimum standards include not only core labor standards, but also other relevant issues such as health and safety, skills development, wages and working time. Most agreements – as a closer analysis of their contents show – include enforcement mechanisms; however, these are restricted to complaint procedures handled by joint review bodies. As the cases of Accor (Wills 2002), Chiquita (Riisgaard 2004), and IKEA (IFBWW 2004) show, IFAs can have an impact under conditions of consequential implementation and continuing monitoring.

Nevertheless, the scope of regulatory content and procedures in an IFA differs markedly from one IFA to the next, even among IFAs negotiated by a single GUF. Still, there is a basic trade union understanding common to all of their approaches which is well formulated in the first IFA of the IUF (2006a: 2):

"to provide space within the specific global company's operations for unions to organize freely and for workers to exercise their rights within the company free of any form of obstruction – particularly the right to form or join a union".

The opening of "space for organizing", meaning the free and unrestricted exercise of freedom of association, is regarded as the most vital and important goal of IFAs for labor. Unions view IFAs as a means of organizing and recognition, of stopping membership decline and enhancing union power to establish and regulate labor standards. This core issue is the foundation for Hammer's (2005) analytical distinction between "rights agreements" (those that aims at ensuring the right to freedom of association and collective bargaining) and "bargaining agreements."⁵

Another categorization was introduced by Nilsson (2002), whose six criteria for defining an agreement as an IFA are based on the pioneering and comprehensive IFA reached by the IUF and Danone:⁶ the global reach of the agreement, references to the ILO Conventions, extension to suppliers, a GUF as a signatory, trade union involvement in the implementation, and the right to bring complaints. For our purposes, we find the following categories, to which we

⁵ The latter "contain detailed provisions about regular meetings, deal with a range of issues beyond core labor rights and are meant to be discussed, renegotiated or prolonged after certain intervals" (Hammer 2005: 519).

⁶ On the understanding of the Danone agreement as the most comprehensive see Hammer 2005, Gallin 1999, Torres and Gunnes 2003.

have attached illustrative information, particularly useful and relevant, in particular because they cover issues which can be regarded as representing the kind of externalities postulated by Crouch (2006):

- ILO Core Labor Standards:

The vast majority of IFAs include the four core labor standards and explicitly refer to the ILO Conventions upon which they are based.

- Inclusion of other ILO Standards:

Some 47 out of 60 IFAs refer to other ILO Conventions.

- Reference to other international agreements related to labor standards:

IFAs often contain reference to one or more of the following agreements: UN Global Compact, the ILO Declaration on Fundamental Principles and Rights at Work, the UN Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises, ILO Declaration on Multinational Enterprises and Social Policy, ILO Code of Practice on Safety and Health, ILO HIV/AIDS codes of practice, European Union Directive on EWCs, and in some cases company specific, usually unilateral corporate social responsibility documents.

- Working Conditions:

Many IFAs make explicit reference to occupational safety and health issues, fair and decent wages, education and training (including language training), environment and workplace restructuring. Almost a half of IFAs contain clauses related to working time, hours of work, overtime and time off. It is common for such topics to refer to the authority of national/international laws or national/industrial collective agreements, which in some countries equates to a low level of protection. Single agreements contain provisions on HIV/AIDS awareness, on social dialogue and communication between stakeholders, on physical abuse/threats or unusual punishment/penalties, on illegal payroll deductions, on sexual harassment, on the treatment of migrant and posted workers, or on transparency and information disclosure.

- Notification and publication of the IFA:

Many but not all IFAs make clear statements about notifying employees and suppliers of the agreement. In some cases, the language of the agreement is quite explicit, whereas in other cases, the language is more general. Some agreements envisage joint efforts or joint

responsibility to raise awareness of IFAs. The texts of the majority of IFAs are publicly accessible online and in different languages.

- Regulation of union involvement:

All IFAs include some form of trade union involvement, but in most cases, the IFA contains only very general language regarding the type and extent of involvement. In light of the fact that almost all IFAs are "top-down" agreements, there is little evidence of active involvement of local unions in the implementation process. Indeed, up to now, only one agreement, signed by UNI with the French power company EDF, includes union representatives from various countries and subsidiaries as well as two workers from non-unionized countries in Asia as signatories of the agreement.

- Duration of the agreement:

The majority of IFAs do not have an expiration date, but in many cases a review is envisaged after two or three year's time.

- Monitoring of the IFA:

The majority of IFAs institutionalize monitoring procedures through the establishment of joint union-TNC committees.

- Dispute resolution:

Most IFAs include dispute resolution procedures involving the union signatories. Certain GUFs (BWI, IUF and ICEM) have guaranteed their role in the administration and dispute settlement by direct reference. Only ten of the agreements contain explicit clauses that commit management to neutrality in regard to union organizing campaigns or forbid them to hire replacement workers during disputes. The Skanska IFA includes the establishment of an arbitration board. None of the IFAs stipulates any kind of sanctions against the company in violation of the agreement. The most effective sanction in the case of violation by the signatory company of the principles stated in a framework agreement remains, in view of GUFs, the targeted corporate image resulting from "naming and shaming" campaigns organized by the international union movement.

- Compliance by suppliers and sub-contractors:

The provisions on suppliers' compliance included in the majority of IFAs differ in their obligatory dimension – ranging from a general commitment to inform suppliers to specific commitments by the signatory parties.

Implementation within the TNC

As has been examined in reference to codes of conduct, implementation is a key issue (e.g. Gordon and Miyake 2000). Different institutional and legal frameworks, business cultures and attitudes, intra-organizational structures, the role of local management, subcontractors, and suppliers as well as issues of union involvement and resources all contribute to the complexity of ensuring effective implementation.

Since monitoring is crucial to effective implementation it is argued to be the most important element of labor's IFA strategy. Müller and Rüb (2005) distinguish three basic approaches: firstly, the integration of monitoring into company management procedures (with the possible involvement of external auditors as is the case at IKEA); secondly, monitoring conducted exclusively through unions; and thirdly, a "wait-and-react" approach (DaimlerChrysler IFA). Beyond these three approaches, monitoring can also be effected through available representation structures such as European Works Councils. In contrast, little is known regarding the inclusion of NGOs in the monitoring of IFAs and whether this approach could be regarded as a possible "winning combination" (Hall-Jones 2006).

From labor's viewpoint, union-conducted monitoring is the most effective means. While the presence of a local union is perceived to be a pre-condition for effective implementation, at the same time it is also often seen as an intended result (Müller and Rüb 2005). The GUFs may persist in demanding that management recognizes the right to unionize, but without some semblance of local union activity, such demands become mere appeals (see Wills 2002). Equally, local unions need the GUF to pursue reported violations in the interest of effective implementation of IFAs.

Research on implementation has provided comparative analyses of the provisions and procedures embodied in IFAs, but not on actual daily practice. Incidents of violations provide some insights into the problems and achievements of implementation and monitoring, but such reports are scarce and there is no requirement or agreement to publish progress reports in this regard. Our research project will contribute to closing this gap by investigating the motivation and implementation issues in particular by extending the scope of research beyond the core firm's boundaries. Towards this end, we will be interested in determining which kind of global value governance supports or hinders the implementation of IFAs and which role unions may play in implementation processes that cut across both firm and union organizational boundaries.

3. Project design and case selection

Our proposal is designed to conduct a rigorous multi-level empirical examination of the motivation for and implementation of IFAs, embedded in the academic discourses on global governance, corporate social responsibility and global value networks as well as in the analysis of IFAs as a structuring element of cross-border labor relations. Despite the necessarily exploratory nature of the research and the limits of drawing far-reaching conclusions from only a small number of case studies, it is our goal to provide insights into the factors which determine whether IFAs are an instrument "good practice". Furthermore, our research is designed to complement and extend the current research state-of-the-art on IFAs in regard to three dimensions:

Empirical Research across the Global Value Network

First of all, previous research on IFAs provides important insights on the content of IFAs and on actors' constellations among the signatories,⁷ but there has been no systematic investigation of whether IFAs have a real and measurable impact on labor conditions in subsidiaries and at suppliers, i.e. the "periphery" beyond the core social partnership realm of negotiations at the TNC headquarters level.⁸ While our starting point is a critical assessment of this research in defining our criteria for analyzing IFAs and for selecting our case studies, we will emphasize the "added value" which our proposal intends to provide. We argue that both motivation and implementation can only be thoroughly researched and analyzed via such an inclusive approach.

A Dual Focus on Management and Trade Unions/Employee Representatives

Secondly, by including the role of management, our proposal goes beyond the almost exclusive focus in the literature on the role of trade unions and employee representatives in regard to IFAs. IFAs are the product of the interaction between employee or union representatives and management. They are an expression of the negotiated state of power and interest relationships among particular actors and constituents. Their effective implementation and their extension to further TNCs is dependent on the content and scope of this relationship.

⁷ A selection of the published literature is reviewed in the section on IFAs. A new investigation comparing Codes of Conduct and IFAs based on 11 case studies and funded by the European Foundation (Dublin) is scheduled to be released soon. See:

<http://www.eurofound.europa.eu/areas/industrialrelations/governance.htm>

⁸ Under the direction of Prof. Dr. Ludger Pries (Bochum), Siglinde Hessler, a Stipendiatin of the HBS, is currently writing a doctoral thesis on the implementation of the IFAs of four German subsidiaries in the automotive sector in Mexico. We have exchanged ideas and will maintain regular contact.

As such, we regard a fuller understanding of management strategies to be essential to determining the effectiveness of IFAs as a tool for the regulation of labor relations. For example, in regard to business strategies, is the negotiation of an agreement with labor representatives at the discretion of corporate management or do “organizational path dependencies” (Sydow, Schreyögg and Koch 2005; see also Bowen 2007) stand in the way because the signing and implementation of an IFA is regarded as a policy change?⁹

Embedding the Empirical Findings in Broader Social Science Discourses

Determining actors' constellations and understanding the objective and subjective dimensions surrounding IFAs as an instrument of global labor relations are essential empirical aspects of our research program, but they also need to be assessed in the larger, more general context of political and economic globalization. Our proposal to reference the ongoing discourses on global governance, corporate social responsibility and global value networks in both the social sciences and the international business discipline aims to confront mainstream scholarship with the issue of work and labor relations in the global context and hopefully to contribute to a broader academic and political debate of these issues.

In seeking to determine what "good practice" might be, we will concentrate on objective and subjective factors which have a bearing on motivation and implementation in regard to IFAs:

- **The structure of the particular branch or sector** including its markets, its production and supply characteristics, its global logistics, the division of labor as well as labor supply and qualification. While our empirical focus will be on the TNC itself, we will endeavor to conduct primary research at suppliers and will definitely include secondary research for an inclusive analysis of the global value network in each selected case.
- **TNC organization structures and management.** Concepts and policies are to be evaluated in the context of both structural factors (resources, products, markets) and behavioral factors related to actors' choices and constellations. Management strategies, the location and scope of decision-making capacities, and the interplay of production, marketing and human resource factors have a bearing on the motivation for having an IFA and on its implementation.
- **Labor relations in the TNC and the global value network.** The history of interest conflict, the extent and character of mutual recognition and negotiation, inclusion and

⁹ Conflicts in the USA over the implementation of IFAs and the criticisms of American trade unions of this instrument shed some light on this aspect.

exclusion of particular actors, the inter-dependency of labor relations in a multi-level context as well as the variety of actors and actors' constellations will be considered as a factor complex bearing in particular on the implementation of IFAs, but also in affecting the creation of such an agreement. The content and scope of the case study IFAs will be analyzed as part of this dimension as well.

- The **political, institutional and socio-economic environment of TNC operations.** Previous research on global governance (esp. the role of private actors), CSR and IFAs has brought to light the importance of a contextual dimension beyond the particular reference factors of the sector or the global value network: The national, supranational and global context of policy decisions and actions on the part of management in the TNC and throughout the global value network as well as outside "stakeholders" is crucial for understanding agreements and conflicts in regard to IFAs.

While it might be argued that our sample of some 60 IFAs is in itself an example of "good practice", we contend that there are notable differences to be found among its members. Where resources are being expended to implement an IFA there will be experience and insights gathered which will not only enhance the practicality of an evaluation but will also provide indications of ways to develop the efficiency and efficacy (regulating capacity) of IFAs. While we wish to emphasize the importance of developing analytical instruments for evaluating and comparing the case studies, in the selection process, much will depend on such pragmatic considerations as contacts with management and union representatives, the openness and readiness of these actors to support our research, the geographical distribution of company worksites and supplier locations, access and language.

Case Selection

The existing IFAs (see again Table 1 in the appendix) are spread across a wide range of sectors within the jurisdiction of five of the ten Global Union Federations (GUFs): BWI (woodworking, construction & building), ICEM (energy, oil, chemicals), IMF (electronics, engineering, automotive), UNI (telecommunications, services, media), and IUF (food and beverages). Exploratory reviews including contacts with union officials, information gathering on the TNC and analysis of published sources have been conducted on the following IFAs: IKEA and Faber-Castell (BWI), DaimlerChrysler and EADS (IMF), Securitas (UNI), ENI and Lukoil (ICEM), and Chiquita (IUF). Furthermore, the responsible representative at IG Metall headquarters for Bosch has indicated a strong interest in

promoting this company as one of the case studies. This would not only fit our project design but would facilitate access as well.

The selection of the case studies will develop out of the accrued insights from these preliminary studies and contacts, and will also consider current research being conducted for example at the European Foundation for the Improvement of Living and Working Conditions (see below) and at the ILO's Institute for International Labour Studies.

Our final selection of four case studies will use the evaluation of the above named factors together with additional pragmatic considerations to choose eight IFAs to be subjected to a first wave of analysis. Such considerations include:

- Selection of the case studies from one of each of the four GUFs which have signed 54 of the 60 existing IFAs: BWI (13), ICEM (12), IMF (16) and UNI (14).¹⁰
- Within each GUF a concentration of the selection on the dominant economic sector:
BWI: building and construction;
ICEM: chemicals
IMF: automotive
UNI: services
- Country locations of subsidiaries and suppliers outside of continental Europe, i.e. we will be looking for geographical overlaps which will not only concentrate research resources but will also reduce the number of variables and enable comparisons within particular national systems of labor relations. A survey of the websites of the TNCs with IFAs indicates that in the following countries, all four GUFs are signatories and at least 15 of the 60 TNCs have operations¹¹ there:

¹⁰ ICEM has co-signed two IFAs, one with BWI and one with IMF, which accounts for the total of all four GUFs being less than the sum of each one's IFAs.

¹¹ This includes all sectors under the jurisdiction of the four GUFs.

TNC - IFAs with BWI-ICEM-IMF-UNI	
Number of sites	Country
32	China
27	USA
26	Brazil
21	Argentina
20	India
19	Malaysia
17	Canada
17	Russia
17	Turkey
15	Mexico

During the first project phase we will conduct a full-scale review of this information as regards the kind and scope of operations (sector, production) and possible links to suppliers in the same country. Furthermore, the institutional framework and organizational structure of labor relations in each country, along with practical issues of access, will be considered in making our selection of four countries.

Procedure: Project Phases and Work Packages

This is a new venture into still relatively unexplored terrain. Our proposal for a 30 month research program reflects the exploratory and complex nature of our task and the limited availability of referential studies.

The research is divided into six phases of five months each (see Table 3, Appendix). At the end of the first phase – which includes a workshop with practitioners – we will have completed the process of selecting our final four case studies. Each of the subsequent four phases will focus on the consecutive in-depth empirical research of one of the cases. The final phase will make a comparative review of all four cases, provide a workshop forum for an academic discussion of the results, and draft and complete the final report.

Phase One: (July 2008 –November 2008)

The first five months of the project will be devoted to assembling the resources for the case studies, making the final selection, and analyzing IFAs as instruments of global governance, corporate social responsibility and the management of global value networks. Resources to be assembled include

- adapting and applying the existing IFA typologies (cf. Hammer 2005 and the European Foundation research projects by Schömann et. al. [recently completed] and Müller et. al. [in progress]) with explicit recognition and inclusion of management strategies for our selection of the eight first-wave case studies;
- Selection of up to eight potential case studies based on the factors described above; Contact and exploratory discussions (1-2) with management in these TNCs. Contact and exploratory discussions with the GUFs.
- Background research on the TNCs and the global value chains; building of an international project research network based on graduates of the Global Labor University, in particular in the countries selected for case studies; interviews with researchers in Germany, Belgium (ETUI) and Geneva (ILO); finalization of the research questionnaire.
- Selection of final four in-depth case studies and the countries for research at the subsidiaries and suppliers, including a first wave of interviews with headquarters management, GUFs, and where possible, with involved national unions and employee representatives. Selection of the first IFA case study.
- Workshop on the selected IFAs and research in the global value network with a focus on involving practitioners.

Phases Two through Five (December 2008 through July 2010)

Each of the five month phases two through five will focus on completing one of the in-depth case studies. As can be seen from Table 3, the consecutive research of each of the case studies means that the tasks to be carried out in each of these phases are basically identical in their structure. Because of the multi-level research design and our goal of evaluating IFAs both as an instrument of regulation and in terms of "good practice", it will be essential to conduct a sizable number of interviews. These will consist of semi-structured interviews at the TNC headquarters with management representatives responsible for CSR and human resources as

well as for sourcing and/or production. On the employee side, we will interview the responsible GUF as well as the responsible trade union at the TNC headquarters. Where there is an employee representative body such as a European Works Council, it will also be included in the interview series. Beyond the headquarters level further interviews with the same constellation of actors will be made at a TNC subsidiary/production site and at a number of suppliers. The selection of these sites and suppliers will be based on their geographical proximity (common national setting) as far as possible in the interest of a more practical operationalization of our research design. Table 2 below provides an overview of our proposed interview sample and possible country selection:

Table 2. Interview Plan

	Management	Labor	NGO	min/max No. of Interviews
Headquarters (Country1)	HRM Production Sourcing	GUF National Trade Union WWC/EWC/other	1	6-9
Subsidiary (Country2)	HRM Production Sourcing	National Trade Union employee reps. other TU, empl. reps	1	5-8
Supplier1 Supplier2	HRM/Prod. HRM/Prod.	Trade Union/empl. reps. Trade Union/empl. reps.	1	2-9

Minimum / Maximum per Case Study: 13 / 25

IFAs with BWI – ICEM – IMF - UNI	
Number of sites	Country
32	China
27	USA
26	Brazil
21	Argentina
20	India
19	Malaysia
17	Canada
17	Russia
17	Turkey
15	Mexico

Further interviews may be conducted as deemed necessary with staff officers of the International Labour Organization, NGOs or relevant research institutions (e.g. IILS, Global Labour Institute).

During the third phase (second case study) we plan to participate in the IIRA World Congress (August 2009, Sydney) with a Special Symposium on our research topic.

Phase Six (August 2010 through December 2010)

The final phase of research will be devoted to re-analyzing and updating case studies from the second through fourth phases (cases 1 – 3), preparing and conducting an international workshop primarily for academics to discuss our arguments and conclusions particularly in regard to the three academic discourses, completing the case study reports and securing their authorization by interview partners, and, last but certainly not least, writing and submitting the final project report.

Project Publications

As an international research effort, much of the project work will be conducted in English. However, we realize the importance of this research for the German trade unions and as such, a final report will be submitted in German. Further, following the completion of the project, it will be our goal to make the project results available in the German trade union press. Because of the potential relevance of this research for both trade unions and the academic community internationally, we will endeavor to secure further publications in English.

4. Previous research

The project applicants have a record of teaching and research experience which is applicable to the proposed research topic. In the fall of 2000 they initiated an interdisciplinary study project for advanced level students from the Freie Universität's schools of business & economics on the one hand and political science on the other on "Global Manufacturing and Responsible Business Practices". Introductory work with the students was followed by a joint seminar "Arbeit und Arbeitsbeziehungen in Unternehmensnetzwerken" during the summer semester 2001, which included both theoretical analysis and empirical case study research. In the course of the seminar the topical focus of the study project on the apparel industry was deepened and culminated in the publication of a final report (Dürr et al. 2001). This cooperative effort also served as the basis for the publication of a journal article by the

applicants (Fichter and Sydow 2002). Further collaboration most recently resulted in the drafting of a paper on IFAs accepted for presentation last year at the 23rd EGOS Colloquium in Vienna (http://www.egosnet.org/conferences/collo23/colloquium_2007.shtml) and at the 8th European Congress of the International Industrial Relations Association in Manchester (<http://www.meeting.co.uk/confercare/iiraeurope2007/>) (Fichter, Sydow and Volynets 2007).

Since 1999, Michael Fichter has been involved in two grant-funded research projects which have focused on the impact of globalization and relocation of manufacturing on employment relations. The first project, "Exogenous Influences in Path Dependent Transformation Processes. The Effects of German Foreign Direct Investments on Work Organization and Labor Relations in Hungary" was funded by the VolkswagenStiftung as an exploratory investigation of relocation processes and their impact on a transformation country of Central and Eastern Europe. Beyond the final report (Dörrenbächer et. al. 2003), the project produced a number of individual publications (cf. Fichter 2002, 2003) and led to Fichter's cooptation for a research project led by Professors Guglielmo Meardi and Paul Marginson (Warwick) and funded by the British Economic and Social Research Council on North American and German companies in the automotive component sector in Poland, Hungary and Slovenia (Fichter 2006). For the past three years, Fichter has taught advanced-level courses on globalization and labor, one of which included an excursion (funded by the Fr.-Ebert-Foundation) with students to investigate apparel manufacturing in Bulgaria (Fichter et. al. 2005). Since 2005, Fichter has been associated with the Global Labour University (GLU) and during the past two years has taught the seminar on "Strategies of Multinational Corporations and Labour".

In this capacity he has supervised several Masters Theses on IFAs and built an excellent network of researchers on this topic. We regard the network of GLU academic staff in Germany, Brazil, and South Africa (and possibly India) and graduates in many more countries as an excellent basis for a broad and critical assessment of our research. Ongoing discussions especially with the students and graduates of the German GLU program have shown that there is a strong interest in our proposed research – and in assisting its completion. Indeed, this network opens the opportunity for developing research bases in the countries where subsidiaries and suppliers of our IFA case studies are located. GLU graduates and teaching staff have the language competence and the knowledge of labor, economic and political issues which can contribute substantially to the quality of our empirical research.

Though Jörg Sydow has also been involved in research on industrial relations and employment issues in general and German co-determination in particular (e.g. Sydow 1991, 1997;

Sydow and Wirth 1999a, b) and is on the editorial board of *Industrielle Beziehungen – The German Journal of Industrial Relations*, his main research interest and teaching over the last decade or so has been on the evolution of new organizational forms, including global value networks (e.g. Sydow 1992 2006; Provan, Fish and Sydow 2007). Much more recently and within the framework of the doctoral program on “Research on Organizational Paths” (<http://www.pfadkolleg.de>) that is sponsored by the German Research Foundation (DFG), Sydow has started to research organizations and inter-organizational networks from a path dependency perspective (Sydow 2007; Sydow et al. 2005). Both the research focus on networks as well as an understanding of how history impacts relations within and between organizations will be helpful in carrying out the proposed research project.

5. Cooperation and interaction

In the course of our research we intend to work closely with other researchers, sharing our insights and soliciting their recommendations. In addition to the environment for contacts and interaction which would be available through the HBS and the project's advisory board, there are a number of other researchers and institutions which are important in this respect:

University of Kassel / Chair on Globalization / Global Labor University
(Prof. Dr. Christoph Scherrer)

The research program of our proposal is a major topic of the Labor Policies and Globalization Program of the GLU in Germany.

European Foundation for the Improvement of Living and Working Conditions.

The Foundation's research program on governance has funded two projects, the first of which on "codes of conduct and international framework agreements" (Schömann, Sobczak, Voss and Wilke) will be published shortly. The second project on IFAs as a stepping stone toward the internationalization of collective bargaining (Müller, Telljohann, Rehfeld) is in progress. Discussions with both project teams took place at a Foundation workshop on IFAs in Brussels, Dec. 10, 2007, and are ongoing. Furthermore, the coordinator of this research program at the Foundation, Dr. Christian Welz, is interested in further cooperation.

European Trade Union Institute

Given the fact that with few exceptions, the TNCs with IFAs are all headquartered in the EU, cooperation with the ETUI can contribute to our understanding of management – employee interaction. Discussions with Isabel Schömann, senior researcher at ETUI and one of the authors of the first European Foundation study on IFAs, are in progress and will be deepened in the course of our research.

Transatlantic Social Dialogue (TSD) of the HBS, ETUI and Cornell University School of Industrial and Labor Relations

The TSD provides a forum of exchange between academics and practitioners with a focus on

trade union policies in the US and the EU in a globalizing world. Fichter has been a TSD participant since its inception. As a follow-up to the TSD meeting this year in Brussels, Fichter conducted interviews with representatives from the AFL-CIO, Change to Win, SEIU and the Teamsters Union in Washington DC regarding their understanding of and involvement in IFAs. Future TSD meetings will enable us to present our research and address issues of cross-border trade union cooperation, which on the topic of IFAs is marked by substantial conflict between US and European trade unions.

University of New South Wales / Australian Graduate School of Management

Contacts already exist with Prof. Steve Frenkel who is an international expert on the debate of how Codes of Conducts are implemented in global value networks. Contacts also exist with Prof. Russell D. Lansbury, at present the President of the International Industrial Relations Association (IIRA) and one of the convenors of the upcoming 15th World Congress of the IIRA to take place August 24-28, 2009, in Sidney, Australia.

FU Berlin / Graduiertenkolleg "Pfade organisatorischer Prozesse" (Pfadkolleg)

Because of the insights a path-dependency perspective may provide for the implementation of IFAs along value chains/networks a close collaboration with some doctoral students of the Pfadkolleg is envisaged.

Lyudmila Volynets, doctoral candidate, FU Berlin

Ms. Volynets has written her MA thesis on IFAs and researched the case of the IKEA supply chain. She is now developing her dissertation topic on the transformation of labor relations in the Ukraine. She has contributed substantially to the drafting of this proposal and will be involved in the empirical case research of the project.

6. Budget of the Funding Grant

We are applying for a funding grant of 284.801,00 € to be used to cover most of the calculated budget for our 30 month research program. Overhead costs assumed by the Freie Universitaet Berlin for work space, office equipment and materials, telecommunication, and a proportional part of the salaries of the two project directors are additional to this budget.¹²

For the bulk of the research work we propose to hire two researchers, a full position for a person with a doctorate and concomitant research experience and a half-time position for a person with a diploma or an MA. Necessary support for their research and for the two research directors as well as for the organization of the two workshops will be provided by student assistants.

Travel expenses make up a sizable portion of the proposed budget and are detailed in a separate table. It will be necessary to travel to various locations in Europe for interviews at TNC Headquarters and with representatives from the relevant GUFs, national unions, from the ILO and the ETUI. The total costs of the trips to the TNC Headquarters are calculated on the basis of two persons and may vary depending on the location of the final four cases selected. The same uncertainty pertains to the calculations for the case study trips as long as the final selection of the four cases has not been made. But we have endeavored to provide a realistic estimate based on an exemplary selection of countries. Here again, the first trip is for two persons, the two follow-up trips are for one person each.

¹² Dr. Fichter will contribute 20% and Prof. Sydow 10% of their work time to managing the project and participating in the research.

Overall Grant Budget Proposal

	Jul 08 – Nov 08	Dez 08 – Apr 09	Mai 09 – Sep 09	Okt 09 – Feb 10	Mrz 10 – Jul 10	Aug 10 – Dez 10
1/1 BAT IIa promoviert	Base: €54.000 p.a. = €135.000					
½ BAT IIa nicht promoviert	Base: €27.000 p.a. = €67.500					
Sachmittel: Reisen: siehe Aufstellung	47.301,00 €					
Sachmittel: Literatur	€2.000 p.a. = €5.000					
Sachmittel: Hilfskräfte. 10€/pro Stunde. 12 Mo. X 50 Stunden x 2,5 Jahre	€6.000 / p.a. = €15.000					
Workshops (Nov. 08 / Sep. 10)	7.500,00 €		IIRA-Sydney (nur Reisekosten 2 P.)		7.500,00 €	
Gesamtsumme	284.801,00 €					

Übersicht: Reisekosten

	Tage	Tagegeld	Übernachtung	Reisekosten	Anzahl: Personen x Reisen	Gesamt
Genf	5	40,00 €	89,00 €	225,00 €	1	870,00 €
Brüssel	5	35,00 €	100,00 €	100,00 €	1	775,00 €
sonst. EU (TNC - Hq.) jeweils 1mal 8 TNC erste Phase	2	35,00 €	100,00 €	200,00 €	16	7.520,00 €
sonst. EU (TNC - Hq.) 4 TNC Fallstudien	2	35,00 €	100,00 €	200,00 €	8	3.760,00 €
Deutschland: z. B. Frankfurt a.M., Kassel, Fulda	2	24,00 €	60,00 €	150,00 €	10	3.180,00 €
IIRA Sydney	5	32,00 €	90,00 €	1.500,00 €	2	4.220,00 €
Fallstudien						
Land 1. z.B. Brasilien	7	30,00 €	90,00 €	1.000,00 €	4	7.360,00 €
Land 2. z.B. USA	7	40,00 €	125,00 €	800,00 €	4	7.820,00 €
Land 3. z.B. India	7	27,00 €	140,00 €	750,00 €	4	7.676,00 €
Land 4. z.B. Turkey	7	25,00 €	65,00 €	400,00 €	4	4.120,00 €
Summe Reisekosten						47.301,00 €

Anzahl der Reisen: Zu den TNC-Hq. in der ersten Phase (16 Reisen = 8 x 2 Personen). Fallstudien (4 Reisen pro Land = 1 x 2 Personen, 2 x 1 Person)

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Appendix

Table 1: List of International Framework Agreements by year and industry

	TNC	GUF	Year	Sector
1	Danone	IUF	1988	Food processing
2	Accor	IUF	1995	Hotel & tourism
3	Ikea	BWI	1998	Furniture, Retail
4	Statoil	ICEM	1998	Oil & Gas Refining
5	Metro ¹³	UNI	1999	Retail
6	Faber-Castell	BWI	1999	Office & writing material
7	Freudenberg	ICEM	2000	Chemical
8	Hochtief	BWI	2000	Construction
9	Carrefour	UNI	2001	Retail
10	Chiquita	IUF	2001	Fresh & processed foods
11	OTE Telecom	UNI	2001	Telecommunication
12	Skanska	BWI	2001	Building-related services
13	Telefonica	UNI	2001	Telecommunication
14	Indesit/Merloni	IMF	2002	Metal
15	Endesa	ICEM	2002	Power
16	Ballast Nedam	BWI	2002	Construction
17	Fonterra	IUF	2002	Dairy
18	Volkswagen	IMF	2002	Auto
19	Norske Skog	ICEM	2002	Paper
20	AngloGold	ICEM	2002	Gold Mining
21	DaimlerCrysler	IMF	2002	Auto
22	ENI	ICEM	2002	Energy
23	Leoni	IMF	2003	Electrical & automotive
24	ISS	UNI	2003	Building cleaning & maintenance
25	GEA	IMF	2003	Engineering
26	SKF	IMF	2003	Ball bearing & seals
27	RAG	ICEM	2003	Chemical, Mining
28	Rheinmetall	IMF	2003	Electronics, automotive & defense
29	H&M	UNI	2004	Cloths & Retail
30	Bosch	IMF	2004	Automotive & Electronics
31	Prym	IMF	2004	Metal manufacturing
32	SCA	ICEM	2004	Paper
33	Lukoil	ICEM	2004	Oil & Energy
34	Renault	IMF	2004	Auto
35	Impregilo	BWI	2004	Construction
36	Club Mediterranee	IUF	2004	Tourism
37	EDF	ICEM/PSI	2005	Energy
38	Rhodia	ICEM	2005	Chemicals
39	Veidekke	BWI	2005	Construction & Property Development
40	BMW	IMF	2005	Auto
41	EADS	IMF	2005	Aerospace & defense
42	Roehling	IMF	2005	Auto & supply
43	Schwan Stabilo	BWI	2005	Writing, drawing, painting materials, cosmetics
44	Lafarge	BWI/ICEM	2005	Construction materials
45	Arcelor	IMF	2005	Steel
46	Falck	UNI	2005	Security
47	Staedtler	BWI	2006	Writing and drafting instruments
48	PSA Peugeot Citroen	IMF	2006	Automotive
49	Royal Bam Group	BWI	2006	Construction
50	Portugal Telecom	UNI	2006	Telecommunication
51	Securitas	UNI	2006	Security
52	Euradius	UNI	2006	Graphics media
53	Nampack	UNI	2006	Packaging
54	France Telecom	UNI	2006	Telecommunication
55	National Australia Bank	UNI	2006	Banking
56	Volker Wessels	BWI	2007	Construction
57	Brunel	IMF	2007	Metalworking
58	Quebecor	UNI	2007	Printing
59	WAZ	IFJ	2007	Media
60	Umicore	ICEM/IMF	2007	Chemicals, Metalworking

¹³ There is some discussion regarding whether the scope of this agreement extends beyond Europe.

Table 2. Interview Plan

	Management	Labor	NGO	min/max No. of Interviews
Headquarters (Country1)	HRM Production Sourcing	GUF National Trade Union WWC/EWC/other	1	6-9
Subsidiary (Country2)	HRM Production Sourcing	National Trade Union employee reps. other TU, empl. reps	1	5-8
Supplier1 Supplier2	HRM/Prod. HRM/Prod.	Trade Union/empl. reps. Trade Union/empl. reps.	1	2 – 9

Minimum / Maximum per Case Study: 13 / 25

Subsidiaries of TNCs with IFAs with BWI-ICEM-IMF-UNI	
Number of sites	Country
32	China
27	USA
26	Brazil
21	Argentina
20	India
19	Malaysia
17	Canada
17	Russia
17	Turkey
15	Mexico

Table 3: Arbeitspakete in den einzelnen Projektphasen.

Projektphase	Ausführliche Darstellung der Arbeitspakete
<p>Juli 2008 – November 2008</p>	<p>Review verfügbarer IFA-Typologisierungen (u.a. Rückgriff auf EuroFound-Projekte), Präzisierung, Anpassung oder Neuentwicklung einer für den Untersuchungszweck geeigneten Typologie</p> <p>Recherchen zu Produkten und GVN der potentiellen Fallstudien, Literaturrecherchen zu den Firmen und Kontakte zu Personen herstellen, die die Firmen kennen und Kontakte vermitteln können.</p> <p>Kurzreisen nach Fulda (Müller, Rüb, Platzer), Brüssel (ETUI), Genf (ILO, GUFs).</p> <p>Kontaktaufnahme und Kurzinterviews (1-2) in bis zu 8 TNUs (Hq.) führen, die als Fallstudien in Betracht kommen;</p> <p>Kontaktaufnahme und Kurzinterviews mit den vier GUFs (BWI, ICEM, IMF, UNI).</p> <p>Überarbeitung des Interview-Leitfadens</p> <p>Durch Kontaktpersonen (z.B. GLU) in den Ländern mit Niederlassungen der in Betracht kommenden TNU relevante Informationen zur wirtschaftlichen Stellung, Entwicklung der Beschäftigten, Personalpolitik, Rolle der Gewerkschaft(en) usw. sowie Kontaktadressen sammeln.</p> <p>Auswahl der vier Fallstudien.</p> <p>Erste Interviewwelle für die ausgewählten Fallstudienunternehmen (Management – Gewerkschaft – NGO)</p> <p>Interviews auswerten und vergleichen. Profile erarbeiten, Hypothesen bilden</p> <p>Literatur zu global governance, CSR und globalen Wertschöpfungsnetze vergleichend zu IFAs auswerten, dazu auch noch Literatur zur Globalisierung von National Business Strategies</p> <p>Internationaler Workshop: Eingeladen werden vor allem Praktiker, um über die IFAs der Fallstudienunternehmen zu diskutieren und unser weiteres Vorgehen in der Wertschöpfungskette zu diskutieren.</p> <p>Entscheidung darüber, welches der IFA als erste intensive Fallstudie recherchiert wird.</p>
<p>Dezember 2008 – April 2009</p>	<p>Erste Fallstudie.</p> <p>Besprechung des Vorgehens mit Verantwortlichen zum Fall (Land1: Hq.-Management, GUF, nat. Gewerkschaft, ggf. AN-Vertretung im Unternehmen).</p> <p>Festlegung des Interview-Leitfadens für die Ebenen Niederlassungen und Zulieferer</p> <p>Interviews in der ausgewählten Niederlassung (Land2: Management, nat. Gewerkschaft(en), AN-Vertretung(en) sowie mit einer relevanten NGO. (Ggf. zusammen mit Kontaktperson [Sprache])</p> <p>Gespräche mit der/den Kontaktperson/en</p> <p>Interviews in den ausgewählten Zulieferfirmen (Land2)</p> <p>Auswertung der Interviews. Ggf. Nachfassung.</p> <p>Weitere Materialauswertung zu den weiteren Fallstudien.</p> <p>Literaturbearbeitung zu den drei Leitdiskursen</p> <p>Abfassung der ersten Fallstudie in Berichtsform und Entwurf einer Einordnung nach Fragestellungen in die wissenschaftlichen Leitdiskurse</p>

Projektphase	Ausführliche Darstellung der Arbeitspakete
Mai 2009 – September 2009	<p>Zweite Fallstudie. Besprechung des Vorgehens mit Verantwortlichen zum Fall (Land1: Hq.-Management, GUF, nat. Gewerkschaft, ggf. AN-Vertretung im Unternehmen). Festlegung des Interview-Leitfadens für die Ebenen Niederlassungen und Zulieferer Interviews in der ausgewählten Niederlassung (Land2: Management, nat. Gewerkschaft(en), AN-Vertretung(en) sowie mit einer relevanten NGO. (Ggf. zusammen mit Kontaktperson [Sprache]) Gespräche mit der/den Kontaktperson/en Interviews in den ausgewählten Zulieferfirmen (Land2) Auswertung der Interviews. Ggf. Nachfassung. Weitere Materialauswertung zu den weiteren Fallstudien. Literaturbearbeitung zu den drei Leitdiskursen Abfassung der zweiten Fallstudie in Berichtsform und Entwurf einer Einordnung nach Fragestellungen in die wissenschaftlichen Leitdiskurse</p>
Oktober 2009 – Februar 2010	<p>Dritte Fallstudie. Besprechung des Vorgehens mit Verantwortlichen zum Fall (Land1: Hq.-Management, GUF, nat. Gewerkschaft, ggf. AN-Vertretung im Unternehmen). Festlegung des Interview-Leitfadens für die Ebenen Niederlassungen und Zulieferer Interviews in der ausgewählten Niederlassung (Land2: Management, nat. Gewerkschaft(en), AN-Vertretung(en) sowie mit einer relevanten NGO. (Ggf. zusammen mit Kontaktperson [Sprache]) Interviews in den ausgewählten Zulieferfirmen (Land2) Gespräche mit der/den Kontaktperson/en Auswertung der Interviews. Ggf. Nachfassung. Weitere Materialauswertung zu den weiteren Fallstudien. Literaturbearbeitung zu den drei Leitdiskursen Abfassung der dritten Fallstudie in Berichtsform und Entwurf einer Einordnung nach Fragestellungen in die wissenschaftlichen Leitdiskurse</p>

Projektphase	Ausführliche Darstellung der Arbeitspakete
März 2010 – Juli 2010	<p>Vierte Fallstudie. Besprechung des Vorgehens mit Verantwortlichen zum Fall (Land1: Hq.-Management, GUF, nat. Gewerkschaft, ggf. AN-Vertretung im Unternehmen). Festlegung des Interview-Leitfadens für die Ebenen Niederlassungen und Zulieferer Interviews in der ausgewählten Niederlassung (Land2: Management, nat. Gewerkschaft(en), AN-Vertretung(en) sowie mit einer relevanten NGO. (Ggf. zusammen mit Kontaktperson [Sprache]) Gespräche mit der/den Kontaktperson/en Interviews in den ausgewählten Zulieferfirmen (Land2) Auswertung der Interviews. Ggf. Nachfassung. Weitere Materialauswertung zu den weiteren Fallstudien. Literaturbearbeitung zu den drei Leitdiskursen Abfassung der vierten Fallstudie in Berichtsform und Entwurf einer Einordnung nach Fragestellungen in die wissenschaftlichen Leitdiskurse</p>
August 2010 – Dezember 2010	<p>Nacherhebungen in den Fallstudien 1-3 zur Aktualisierung der Datenlage Vorbereitung und Durchführung des internationalen Workshops mit vor allem Beteiligten aus der Wissenschaft. Präsentation der Fallstudien sowie einer Analyse der empirischen Ergebnisse, Thesen zur Relevanz für die wissenschaftlichen Leitdiskurse. Rückkoppelung der Fallstudienberichte mit den Interview- und Kontaktpersonen. Schriftliche Formulierung der Forschungsergebnisse.</p>