

## Master's Degree in Management

## **Final Thesis**

# International framework agreements and its impact on labor law

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#### **ABSTRACT**

The influence of neoliberal economic policies and the process of globalization have had the effect of altering the viewpoint that states have on labor legislation. In order for governments to be included in the global value chains of multinational corporations, there must be an increase in the level of rivalry that exists between them on the world stage. In this regard, emerging nations have begun to consider labor law practices as elements that increase labor costs and so hamper competition. This trend is notably prevalent in countries in Southeast Asia. It has exerted efforts toward the goal of making labor law procedures more flexible and deregulatory in favor of companies. As a result, the protective role of labor legislation has been significantly diminished. In point of fact, it is common knowledge that the labor market, and particularly the working relationship, is currently governed by new approaches rather than the protective function. At the forefront of these strategies are international framework agreements, which are one of the practices of corporate social responsibility implemented by multinational corporations.

The aim of thesis is to examine whether international framework agreements are sufficient to regulate the labor market because they do not fill the gap that has been created as a result of the deterioration of labor law practices, they do not protect workers from employers, and not providing workers with protection against employers.

Keywords: International Framework Agreements, Labor Law, Corporate Social Responsibility, Chiquita Framework Agreement

## LIST OF ABBREVIATIONS

**Abbrevation Definition** 

COLSIBA Coordinating Committee of the Latin American Banana and Agricultural Workers Unions

CSR Corporate Social Responsibility

EWCs European Works Councils

IFA International Framework Aggreements

ILO International Labor Organization

IUF International Union of Food

MNC Multinational Corporation

MNE Multinational Enterprises

NGO Non-Governmental Organization

TFEU Treaty on the Functioning of the European Union

UN United Nations

WCSDG World Commission on the Social Dimension of Globalization

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### Introduction

Collective bargaining agreements, also known as international framework agreements (IFAs), are a type of agreement that can be reached between multinational firms and international trade unions. These agreements are known as international framework agreements. These agreements are aimed to establish a standard for the treatment of workers across a company's global activities. The goal of these agreements is to ensure that workers in different nations receive comparable rights and benefits. One of these IFAs is the Chiquita framework agreement, which was signed in 2002 between the multinational corporation Chiquita Brands International and the international trade union confederation, the International Union of Food (IUF), Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations. The Chiquita framework agreement is an example of an international framework agreement.

Over the course of the past few years, the influence that IFAs have had on the development of labor legislation has grown to assume an increasingly major role. As a result of their growing influence in the economy of the world as a whole, multi-national firms are under an increasing amount of pressure to ensure that their business practices are in accordance with the various international labor standards. Because of this, there is an increasing interest in the utilization of IFAs as a means of achieving this compliance and as a vehicle for promoting better working conditions and protecting the rights of workers all over the world.

An important illustration of the influence that IFAs can have on the development of labor law is provided by the Chiquita framework agreement. The agreement establishes a variety of guidelines for the manner in which workers are to be treated, such as provisions on working hours, compensation, health and safety, and the ability to associate with one another. These standards serve as a benchmark for the company's activities all around the world, and they have been very helpful in improving the working conditions of Chiquita employees in countries where labor regulations are not as strong as they are in other countries.

The impact of the Chiquita framework agreement has been the subject of much debate, with some arguing that it represents a positive step towards achieving greater compliance with international labor standards and others arguing that it is insufficient to address the complex and systemic issues faced by workers in the global economy. Regardless of which side of the argument one subscribes to, the impact of the Chiquita framework agreement has been the subject of much debate. The agreement has also been criticized by a number of trade unions, which have argued that it does not go far enough in protecting workers' rights and that it undermines the ability of workers to engage in collective bargaining. Both of these points are true, according to the trade unions' arguments, and the agreement has been met with opposition.

The Chiquita framework agreement continues to be a prominent and powerful example of the impact that IFAs can have on labor legislation, notwithstanding the accusations that have been leveled against it. The agreement has been a catalyst for further efforts to promote better working conditions and to advance the cause of workers' rights globally. It has also helped to raise awareness of the importance of protecting workers' rights around the world, which has helped to raise awareness of the importance of protecting workers' rights around the world.

The objective of this thesis is to investigate the influence that the Chiquita framework agreement has had on labor legislation and to evaluate how successful it is as a method for fostering conformity with international labor standards. This thesis will provide insights into the function of IFAs in influencing labor legislation and the manner in which they can be used to further the cause of workers' rights through an in-depth investigation of the agreement and its implementation. The limitations of IFAs and the difficulties they encounter in promoting compliance with international labor standards will also be investigated in depth during the course of this thesis.

# Chapter 1. The Concept of International Framework Agreements and Labor Law

### 1.1 Definition of International Framework Agreements

Since the 1980s, the liberalization of trade and capital movements has led to the erosion of industrial relations systems that were established within national borders during the golden age. These systems were first established in the golden age. Because of the global value chains that they developed, multinational corporations, which rose to prominence as major economic forces during this time period, began moving parts of their production operations to various geographical locations. In this context, it is well known that economic liberalization, deregulation, and privatization practices, which are among the components of the adopted structural adjustment programs, are effective in the labor market and especially on industrial relations systems. This is the case because these practices are among the components of the adopted structural adjustment programs. This effect was first observed in connection with the decline in membership of labor unions and, as a consequence, their bargaining power. Labor unions are actors within the system of industrial relations. In addition, it is common knowledge that the state's preference to safeguard its workers is going through a period of transition. As a consequence of the events that took place, assessments of the demise of labor unions started to be made.<sup>1</sup>

The ability of multinational corporations to carry out their production on an international scale and their ability to cross national borders, in contrast to the confinement of the activities of labor unions to the context of the national level, have contributed to the development of an asymmetrical relationship between the two actors. In an effort to eliminate this dissymmetry, which is the result of role and power sharing, labor unions have attempted to apply the experiences they have gained from participating in international trade union movements to the framework of the global economic system in an innovative manner.<sup>2</sup>

<sup>&</sup>lt;sup>1</sup> Hammer, N. (2005). International Framework Agreements: global industrial relations between rights and bargaining. Transfer: European Review of Labour and Research, 11(4), 511-530.

<sup>&</sup>lt;sup>2</sup> Riisgaard, L. (2005). International framework agreements: A new model for securing workers rights?. Industrial relations: A journal of Economy and Society, 44(4), 707-737.

The most significant outcome of all of these creative initiatives has been the establishment of international framework agreements. On August 23, 1988, the International Union of Food, Agriculture, Hotel, Restaurant, Food and Beverage, Tobacco and Associated Work Unions and the French multinational BSN signed the first international framework agreement. This agreement set the stage for future international framework agreements. Through the provision of training, the parties to the agreement intended to minimize, to the greatest extent possible, the adverse effects on the workforce that could result from the implementation of novel production techniques or the reorganization of the business, both of which were contemplated as potential outcomes. This first agreement, which was reached in 1988, was later followed by subsequent agreements that sought to educate workers and the people they elected to represent them on economic and social issues, to ensure equality between men and women in the workplace, to train workers' abilities, and to protect the rights of labor unions. The international framework agreement that Danone and the IUF came to is not only the first of its kind but also among the most extensive of its kind. This agreement served as a model for later accords.<sup>3</sup>

International framework agreements are defined as bilateral agreements that contain fundamental labor standards and include the multinational enterprise on the one hand and the global trade union federation on the other. These types of agreements are considered to be international framework agreements. In another definition that emphasizes the fundamental characteristics of international framework agreements, it has been emphasized that it is binding on a global scale, referring to the contracts and recommendations of the International Labor Organization, activating the suppliers in the network of the multinational enterprise on the provisions it contains, signing a global trade union federation, including labor unions during its implementation, and the right to complain in the face of violations of the agreement. In addition, it has been emphasized that it activates the suppliers in the network of the multinational enterprise on<sup>4</sup>

<sup>&</sup>lt;sup>3</sup> Telljohann, V., Da Costa, I., Müller, T., Rehfeldt, U., & Zimmer, R. (2009). European and international framework agreements: Practical experiences and strategic approaches.

<sup>&</sup>lt;sup>4</sup> Hammer, N. (2005). International Framework Agreements: global industrial relations between rights and bargaining. Transfer: European Review of Labour and Research, 11(4), 511-530.

On the other hand, international framework agreements have been defined as a means of establishing an ongoing dialogue between the signatories of the agreement, which can be between a multinational enterprise and a global union federation. In this dialogue, the multinational enterprise commits to complying with the standards set in the agreement in all of its production activities across the globe. According to the European Commission, international framework agreements are multilateral documents that are negotiated and signed by global trade union federations. These agreements focus on fundamental rights and the social responsibility of corporations.<sup>5</sup>

The Global Industrial Workers Union, which represents workers on a global level and was formed by the combination of three former global union federations, asserts that the international framework agreement includes union rights, occupational health and safety issues, environmental practices, and the determined principles, regardless of whether or not they have been adopted in the past. This is according to the Global Industrial Workers Union. They are agreements that were signed as a result of global bargaining between labor unions and multinational corporations. These agreements are then implemented in all countries that are hosting the multinational corporations.<sup>6</sup>

In addition, according to a different definition, international framework agreements are formed by international organizations such as the conventions and recommendations of the ILO on fundamental rights to work, covering the entire production network of the multinational enterprise. These agreements can be negotiated by global trade union federations, which are industrial relations actors at the international level, as well as by trade union organizations at the local level. In this definition, international framework agreements cover the fundamental rights to work. It has been described as a set of agreements that make reference to documents, which results in an institutionalized kind of social conversation. In this context, international framework agreements can be defined as agreements in which

<sup>&</sup>lt;sup>5</sup> Gallin, D. (2008). International framework agreements: A reassessment. Cross-border social dialogue and agreements: an emerging global industrial relations framework, 15-41.

<sup>&</sup>lt;sup>6</sup> Moreno, E. (2008). International framework agreements: a stepping stone towards the internationalisation of industrial relations?. Transfer: European Review of Labour and Research, 14(2), 379-380.

multinational enterprises bargain with one or more trade union organizations representing workers, guaranteeing fundamental rights to work along the enterprise's global value chain. These types of agreements are typically referred to as "free trade agreements."<sup>7</sup>

<sup>&</sup>lt;sup>7</sup> ILO, "International Framework Agreements: a Global Tool for Supporting Rights at Work", ILO Online, https://www.ilo.org/global/about-theilo/newsroom/news/WCMS\_080723/lang-en/index.htm

## 1.2 Establishment of the International Framework Agreement

A global framework agreement is not enforceable in court. The agreement is reached voluntarily by the employee and employer sides. With an international framework agreement, it is the objectives that each party hopes to realize that allow the parties to come together voluntarily. The way the parties to the agreement are represented at the negotiating table directly affects whether or not their goals will be realized. The international framework agreement involves safeguarding essential employment rights for the worker side. The attempt is made to end labor market rivalry by protecting basic rights to employment. In this situation, national or international trade union federations are used to represent employees in the agreement. By geographically distributing their manufacturing stages over global value chains, multinational corporations have circumvented national labor law laws based on employment contracts since the 1980s. On the other hand, due to the neoliberal economic policies adopted in this period, the labor market was abandoned to the market understanding, which means non-intervention. The understanding of the market has led to the elimination of workers' protective practices under the name of deregulation and flexibility.

As a result, the workers' working circumstances have altered along with the spatial unity among those employed by the same global corporation. The degree of worker unity has deteriorated, and as a result, fewer people are joining unions. In order to defend the rights of its members, the labor unions, whose membership was declining, adopted a defensive stance and were forced to make concessions to the employers over working and living conditions.<sup>10</sup>

In fact, throughout this time, despite the fact that economic dangers and uncertainties burdened the workers, they remained mute and by themselves. In this view, labor unions have started looking for methods to get rid of the working circumstances (insecurity,

<sup>&</sup>lt;sup>8</sup> Morin, M. L. (2005). Labour law and new forms of corporate organization. Int'l Lab. Rev., 144, 5.

<sup>&</sup>lt;sup>9</sup> Hernstradt, O. E. (2007). Are international framework agreements a path to corporate social responsibility. U. Pa. J. Bus. & Emp. L., 10, 187.

<sup>&</sup>lt;sup>10</sup> Davidov, G., & Langille, B. (Eds.). (2011). The idea of labour law. Oxford University Press.

inequality, promiscuity) brought about by the market's understanding and the ability of employers to impose their own norms, in order to achieve social justice.<sup>11</sup>

Participation of trade unions in the development of corporate social responsibility guidelines by multinational corporations is one of these techniques. Through international framework agreements, trade union groups seek to address the drawbacks of national industrial relations systems and labor law practices as well as the detrimental effects of globalization and neoliberal economic policies. In other words, through international framework agreements, trade union organizations are attempting to give the process of globalization a social component.<sup>12</sup>

In this view, stopping or even eliminating competitiveness towards the bottom of the labor market through union solidarity will be the primary goal of the social component that will be created by international framework agreements. Because nations have adopted strategies to lower their relative labor costs, as is well documented.<sup>13</sup> There has been downward competition in the labor market for working conditions, particularly salaries. On the other hand, through global framework agreements, trade union groups want to actively participate in the process of social control of multinational corporations. As a result, employees who are represented by trade unions have a vote in the rules that directly impact them.<sup>14</sup>

In addition, the workers' side wants to build a union network that will include the multinational corporation and the whole global value chain. This trade union network's goal is to foster global union solidarity among all trade unions involved in the global value chain, no matter where they are located. As a result, the trade union network offers long-term

<sup>&</sup>lt;sup>11</sup> Turner, L. (2003). Reviving the labor movement: A comparative perspective. In Labor revitalization: Global perspectives and new initiatives (Vol. 11, pp. 23-58). Emerald Group Publishing Limited.

<sup>&</sup>lt;sup>12</sup> Sobczak, A. (2007). Legal dimensions of international framework agreements in the field of corporate social responsibility. Relations industrielles/Industrial relations, 62(3), 466-491.

<sup>&</sup>lt;sup>13</sup> Bronstein, A. (2017). International and comparative labour law: current challenges. Bloomsbury Publishing.

<sup>&</sup>lt;sup>14</sup> Dribbusch, H. (2015). Where is the European general strike? Understanding the challenges of trans-European trade union action against austerity. Transfer: European Review of Labour and Research, 21(2), 171-185.

support for the organizing efforts of the unions. International framework agreements are used by trade union groups to protect workers' fundamental rights along multinational corporations' worldwide value chains. Thus, the agreements seek to acknowledge and defend the rights of unions.<sup>15</sup>

Some trade union groups view global framework agreements as ever-evolving legal instruments. In this regard, the international framework agreement's primary goal is to start a social conversation with the multinational corporation's central management. The establishment of the social dialogue is seen as a necessary step for the workers to enjoy their basic rights at work, particularly their union rights, and for the ongoing enhancement of their working conditions.<sup>16</sup>

In the face of multinational enterprises gaining strength with globalization and neoliberal economic policies, being a member of nationally limited labor unions is not sufficient to protect and develop the interests of workers. As a matter of fact, the working conditions of workers are now determined by the global actors of the economy. For this reason, it has become a necessity for the trade union movement to adapt to the requirements of the age in order to eliminate the power dissymmetry between the worker and the employer.<sup>17</sup>

In this context, global trade union federations (formerly known as international professional secretariats), defined as the international representatives of labor unions organized in certain business lines or professions, come to the fore. <sup>18</sup> Through the elimination of the asymmetrical relationship between nationally organized labor unions and multinational corporations, global union federations seek to mitigate the effects of uncertainty and risks placed on the labor market and consequently on workers. Indeed,

<sup>&</sup>lt;sup>15</sup> Ibid, pp. 116-117

<sup>&</sup>lt;sup>16</sup> Telljohann, V., Da Costa, I., Müller, T., Rehfeldt, U., & Zimmer, R. (2009). European and international framework agreements: Practical experiences and strategic approaches.

<sup>&</sup>lt;sup>17</sup> UNI Global Union, "What is UNI Global Union?", **About Us.** https://www.uniglobalunion.org/about-us/faqs

 $<sup>^{18}</sup>$  AFL-CIO America's Unions, "Global Labor Unions and Federations", About Us - Our Unions and

Allies. https://aflcio.org/about-us/our-unions-and-allies/global-unions

federations work to ensure that workers receive the benefits of basic workplace rights, particularly those related to trade union rights, and to enhance working conditions.<sup>19</sup>

In this context, it establishes close relations with international organizations such as ILO and non-governmental organizations. It organizes international protest demonstrations against multinational enterprises to achieve its aims. Federations also have functions such as exchanging information with member labor unions about the working conditions in the global value chains of multinational enterprises and providing solidarity by establishing communication channels between member labor unions. Today, there are nine global union federations affiliated with the Global Trade Union Council. They represent approximately 210 million workers in 163 countries.<sup>20</sup>

The worldwide union federation's representation of employees in the international framework agreement aids in resolving two issues that could come up during negotiations with the multinational company. The condition of the subcontractors in the network of the multinational company is the first of these issues. No matter which multinational it will sign an international framework agreement with, the global union federation, which is set up at the industry level, represents all employees along the whole global value chain. So long as they are covered by the industry the multinational organization operates in, subcontractors can be held accountable for the global framework agreement. The national labor law legislation, which regulates collective bargaining procedures and the authority of trade unions in various ways, is another obstacle to be surmounted. The dispute between the labor law legislations of the nations is negligible due to the representation of employees through the worldwide union federation. The operation of the negotiating process is outside the purview of national labor law laws since the global trade union federation is an international trade union organization.<sup>21</sup>

<sup>&</sup>lt;sup>19</sup> Luterbacher, U., Prosser, A., & Papadakis, K. (2017). An emerging transnational industrial relations? Exploring the prospects for cross-border labour bargaining. International Labour Review, 156(3-4), 307-343.

<sup>&</sup>lt;sup>20</sup> Ibid, pp. 313-314

<sup>&</sup>lt;sup>21</sup> Sobczak, A. (2007). Legal dimensions of international framework agreements in the field of corporate social responsibility. Relations industrielles/Industrial relations, 62(3), 466-491.

On the other hand, while workers are represented according to the field of activity (at the sector level) determined on the basis of the production of the multinational enterprise through the global union federation, the employer side is at the bargaining table alone without the need for collective representation. This resulting dissymmetry contradicts with labor law practices. For this reason, it is argued that it is not possible to evaluate the international framework agreement in which workers are represented by the global union federation as a collective bargaining agreement defined in the labor law legislation of countries. Workers are not only represented by global union federations in international framework agreements. Nationally organized labor unions can also represent workers. In this respect, labor unions organized especially in countries where the headquarters of multinational enterprises are located stand out. Because, these labor unions gain information about the central management of multinational enterprises through collective bargaining within national borders and often lead the bargaining process of international framework agreements. <sup>23</sup>

The signing of an international framework agreement by the labor union in the country where the central management of the multinational enterprise is located may lead to the agreement being considered as a collective bargaining agreement in that country. However, it is difficult to interpret the agreement as a collective bargaining agreement for other countries. The first reason for this is that the collective bargaining agreement is regulated differently in the labor law legislation of countries. The other justification concerns the authority of the nationally organized labor union.

The added value created by the international framework agreement that provides the social regulation of the multinational enterprise also includes the workforce in the surrounding countries. For this reason, it is impossible to think that the nationally organized labor union legally represents the workers working in the production stages spread all over the world. In this sense, there are criticisms that nationally organized labor unions should be

<sup>&</sup>lt;sup>22</sup> Ibid, pp. 482-483

<sup>&</sup>lt;sup>23</sup> Sobczak, A. (2007). Legal dimensions of international framework agreements in the field of corporate social responsibility. Relations industrielles/Industrial relations, 62(3), 466-491.

members of the global union federation and should be represented by the federation.<sup>24</sup> The method frequently used due to criticism is the signing of the international framework agreement by the global trade union federation and nationally organized labor unions. For example, the international framework agreement with PSA Peugeot Citroen (the company's name was changed to Groupe PSA in 2016) was first signed between representatives of the company's central management and the global union federation, and then submitted for signature by nationally organized trade unions. On the other hand, in the international framework agreement signed with the Électricité de France enterprise, all nationally organized labor unions became a part of the bargaining process as well as signing the agreement.<sup>25</sup>

The global union federation aims to ensure the protection of the international framework agreement by ensuring that workers are represented through more union organizations, thanks to the joint signature.<sup>26</sup>

Labor unions are simultaneously included in all agreement procedures through a shared signing, making it simpler to spot infractions. On the other side, nationally recognized labor unions view the joint signing of the agreement as a means of forging tight ties with the international union federation. It hopes to take use of the expertise and resources of the international union federation for its future union operations through this tight collaboration. The international framework agreement is a crucial instrument for the employer side in gaining a competitive edge and avoiding backlash from the public. As a result of the agreement, the multinational corporation substitutes corporate social responsibility practices for the labor law's required measures that raise labor costs. Throughout actuality, the deal reached includes subcontractors in the company's whole worldwide value chain. For this

<sup>&</sup>lt;sup>24</sup> Schömann, I., Sobzack, A., Voss, E., & Wilke, P. (2008). International framework agreements: new paths to workers' participation in multinationals' governance?. Transfer: European Review of Labour and Research, 14(1), 111-126.

<sup>&</sup>lt;sup>25</sup> Ibid, pp. 49-50

<sup>&</sup>lt;sup>26</sup> Ibid, pp. 116-117

reason, even if they do not formally sign the contract, subcontractors are recognized as parties.<sup>27</sup>

The globalization trend and the neoliberal economic strategies used to exit the 1970s economic crisis have intensified competition on employers. A consequence of the increased pressure from the competition has been to offer a price advantage through low-cost production. In this perspective, because the cost of production variables other than the labor force remain constant, the approach to achieve price advantage is to stifle working conditions, notably pay, by prohibiting employees from benefiting from the fundamental rights of working. Employers had to rearrange production in order to do this, and manufacturing steps were externalized.<sup>28</sup>

By externalizing the production stages, employers were able to both reduce costs and avoid legal responsibility for the resulting working and living conditions. In this context, employers preferred the countries that offer them the best financial opportunities. Thus, countries were also drawn into economic competition. Governments have seen the workers' protective regulations of labor law as a cost factor and have begun to abandon these regulations at the expense of taking part in global value chains. As a matter of fact, over time, consumers, non-governmental organizations, shareholders, etc. Some people held multinational enterprises responsible for the inhumane working and living conditions.<sup>29</sup> In this context, the purpose of multinational enterprises that are employers to sign international framework agreements can be explained by the increasing public interest in the activities of multinational enterprises since the 1990s. Non-governmental organizations and global trade union federations, especially consumer associations, organized international protests for the

<sup>&</sup>lt;sup>27</sup> McConnell, C. R., & Brue, S. (2017). Contemporary labor economics. McGraw-Hill Education.

<sup>&</sup>lt;sup>28</sup> Turner, L. (2003). Reviving the labor movement: A comparative perspective. In Labor revitalization: Global perspectives and new initiatives (Vol. 11, pp. 23-58). Emerald Group Publishing Limited.

<sup>&</sup>lt;sup>29</sup> Sobczak, A. (2007). Legal dimensions of international framework agreements in the field of corporate social responsibility. Relations industrielles/Industrial relations, 62(3), 466-491.

correction of inhumane working and living conditions in the global value chains in textile, clothing and retail industries.<sup>30</sup>

The actions of non-governmental organizations due to the violation of fundamental rights to work by multinational enterprises, calls for boycotts and their widespread coverage in the media have raised the awareness of consumers. This awareness has gone as far as using the purchasing power of consumers as a threat to put an end to inhuman practices by multinational enterprises. Realizing the economic consequences of negative propaganda, multinational enterprises have begun to attach importance to corporate social responsibility.<sup>31</sup>

In this way, the international framework agreement's primary objective for the employer side is to forestall unfavorable public perception. By negotiating with the worker, a set of social norms that are not governed by the law are produced in this situation. As a result, although the employer side continues to do away with the necessary parts of the labor law and, therefore, the protective measures for workers, it also lessens public backlash. In actuality, it is well known that the employer side seeks to avoid two significant repercussions that may result from global framework agreements. The first step is the establishment of international legal norms that will give international framework agreements binding legal status. The other is an improvement in working conditions that has an impact on profitability along global value chains. It has been argued in the information book The Developing Discussion on Trade and Labor Standards, published by the International Organization of Employers in 2006, that the labor costs imposed on multinational corporations from abroad will rise, deterring investment and trade and leading to high unemployment rates.<sup>32</sup>

International framework agreements are also used by multinational enterprises to increase their competitiveness. In fact, one of the factors that provides competitive advantage

<sup>&</sup>lt;sup>30</sup> Telljohann, V., Da Costa, I., Müller, T., Rehfeldt, U., & Zimmer, R. (2009). European and international framework agreements: Practical experiences and strategic approaches.

<sup>&</sup>lt;sup>31</sup> Ibid, p. 41

<sup>&</sup>lt;sup>32</sup> Schömann, I., Sobzack, A., Voss, E., & Wilke, P. (2008). International framework agreements: new paths to workers' participation in multinationals' governance?. Transfer: European Review of Labour and Research, 14(1), 111-126.

in today's goods and services markets is the brand. The brand of the good or service changes the perception of the consumers in the markets where the demand becomes more and more saturated, enabling that good or service to be sold. In this context, multinational enterprises aim to show the public that their brands are socially responsible through international framework agreements. In other words, the employer side differentiates its brand in a way that provides competitive power with an international framework agreement.<sup>33</sup>

Financial markets also depend on the social provisions that are part of international framework agreements. Because, as the ILO has stressed, investors' choices in the financial markets are now being influenced by moral principles. In order to persuade investors on global financial markets, multinational corporations have been forced to adopt unilateral enforcement principles that partially pertain to basic rights to employment. However, in order to have more sway over investors in the financial markets, multinational corporations now want to convert the principles of execution, which they unilaterally adopted through international framework agreements, into documents negotiated with the employees.<sup>34</sup> The international framework agreement is signed as a result of the bargaining between the trade union organization or organizations with the central management of the multinational enterprise. In this context, the central management of the multinational enterprise signs the international framework agreement to cover the global value chain of the enterprise. This is a reflection of the economic power in the global value chain. The international framework agreement is signed by the senior manager representing the central management of the multinational enterprise. This person is often the chief executive officer of the multinational enterprise. However, the human resources department of the business is often involved in the negotiation process of the agreement. Because the human resources department of the multinational enterprise consists of people who are experienced in social dialogue and corporate social responsibility. In this sense, the human resources department of the multinational enterprise can be the driving force of the employer's side in all stages of the

<sup>&</sup>lt;sup>33</sup> Riisgaard, L. (2005). International framework agreements: A new model for securing workers rights?. Industrial relations: A journal of Economy and Society, 44(4), 707-737.

<sup>&</sup>lt;sup>34</sup> Schömann, I., Sobzack, A., Voss, E., & Wilke, P. (2008). International framework agreements: new paths to workers' participation in multinationals' governance?. Transfer: European Review of Labour and Research, 14(1), 111-126.

international framework agreement, especially in the bargaining process. Apart from the human resources department, other parts of the multinational enterprise can also be included in the stages of the agreement.<sup>35</sup>

For example, in the international framework agreement signed with PSA Peugeot Citroen, the sustainable development, procurement and legal affairs departments were regularly informed about the bargaining process and their opinions were sought on the necessary issues. The signing of the agreement by the top manager of the multinational means that the business takes responsibility for the working conditions of workers in the global value chain.<sup>36</sup>

To put it another way, the multinational corporation acknowledges that it is accountable for the appalling living and working circumstances that result from the global value chain. This is a crucial development, no doubt about it. Because multinational corporations frequently disregard the social effects of their economic might. In fact, the multinational corporation controls the economic activities of the subcontractors in the global value chain with the directives it issues, but on the other hand, it can avoid the social repercussions of these directives because the labor law regulations are only applicable to a limited number of countries. In this sense, the multinational corporation pledges that the employees participating in the production stages it distributes across the world will get the fundamental rights to employment with the signature of the international framework agreement by the top management.<sup>37</sup>

The international framework agreement primarily aims to ensure that workers employed by subcontractors who are employed by the multinational enterprise enjoy their fundamental rights to work. In this sense, the subcontractors in the global value chain of the multinational enterprise are within the scope of the international framework agreement. However, subcontractors rarely participate in the bargaining process of the agreement and

<sup>&</sup>lt;sup>35</sup> Lasserre, P. (2017). Global strategic management. Bloomsbury Publishing.

<sup>&</sup>lt;sup>36</sup> Sobczak, A. (2007). Legal dimensions of international framework agreements in the field of corporate social responsibility. Relations industrielles/Industrial relations, 62(3), 466-491.

<sup>&</sup>lt;sup>37</sup> Ibid, p. 118

are not among the signatories of the agreement. In other words, subcontractors are not directly related to the international framework agreement.<sup>38</sup>

Regarding the reach of the global framework agreement, this position raises debate. One opinion holds that the MNC lacks the power to sign contracts with subcontractors. due to the fact that each subcontractor has a distinct legal identity. As a result, the multinational corporation should be granted the go-ahead legally for subcontractors to be covered by the international framework agreement. The multinational corporation will be given the legal ability to sign agreements that encompass the whole global value chain.<sup>39</sup>

According to the other view, subcontractors implicitly give bargaining power to the multinational enterprise as they are involved in the global value chain. However, implicit authority is often criticized on the grounds that it has no legal value. In addition, it is argued that the relationship between the subcontractors and the multinational enterprise is not strong enough to provide implicit authorization. It is known that it is the instructions given by the multinational enterprise that determine the rules of the working relationship between the subcontractors in the global value chain and their workers.<sup>40</sup>

In this sense, the fact that subcontractors in the global value chain do not sign the international framework agreement will not mean that they are exempt from the provisions of the agreement. The main purpose of the international framework agreement is for workers to enjoy their fundamental rights to work. In this context, the provisions that refer to and guarantee the ILO conventions on fundamental rights to work form a large part of the agreement. The rest of the agreement includes provisions on working conditions and problems outside of working life. In this sense, the subject of the agreement will be examined under two sub-titles: fundamental rights and working conditions and other issues. The most

<sup>&</sup>lt;sup>38</sup> Papadakis, K., Casale, G., & Tsotroudi, K. (2008). International framework agreements as elements of a cross-border industrial relations framework. Cross-border social dialogue and agreements: an emerging global industrial relations framework, 67-87.

<sup>&</sup>lt;sup>39</sup> Sobczak, A. (2007). Legal dimensions of international framework agreements in the field of corporate social responsibility. Relations industrielles/Industrial relations, 62(3), 466-491.

<sup>&</sup>lt;sup>40</sup> Ojeda Aviles, A. (2009). The "externalization" of labour law. International Labour Review, 148(1-2), 47-67.

important issue of the international framework agreement is the fundamental rights to work. ILO's criteria are used to define fundamental rights to work. <sup>41</sup>

In this context, fundamental rights to work can be listed as the right to organize and collective bargaining, the abolition of forced labor, the abolition of child employment, and the end of discrimination in work and occupation, taking into account the Declaration on Fundamental Rights and Principles at Work, adopted by ILO in 1998. Fundamental rights to work lead to decent working conditions. For this reason, it is of great importance that workers benefit from their fundamental rights to work. However, it is known that workers have problems in benefiting from their fundamental rights to work as they move from the core countries to the peripheral countries. Especially in countries that are trying to join the global value chain as a subcontractor, governments support fundamental rights to work as long as they do not reduce their competitiveness against other countries.<sup>42</sup>

In other words, workers can benefit from these rights as long as the basic rights to work do not increase the labor cost. For example, even though it is included in the labor law legislation in these countries, workers often cannot benefit from union rights. Therefore, one of the main aims of the international framework agreement is for workers to enjoy their fundamental rights to work as a whole. In the international framework agreement, reference is made to the eight conventions of the ILO on fundamental rights to work. Two of them are related to trade union rights. The first is the Convention No. 87 on Freedom of Association and Protection of the Right to Union, which was adopted in 1948. According to the convention, workers and employers have the right to form unions and join unions of their own choosing without prior permission.<sup>43</sup>

<sup>&</sup>lt;sup>41</sup> Adebola, T., & Al-Alami, B. (2019). Viewing the International Labour Organization's Social Justice Praxis Through a Third World Approaches to International Law Lens: Some Preliminary Insights. ILO 100.

<sup>&</sup>lt;sup>42</sup> ILO, "ILO Declaration on Fundamental Principles and Rights at Work", **Declaration**. https://www.ilo.org/declaration/thedeclaration/textdeclaration/lang--en/index.htm

<sup>&</sup>lt;sup>43</sup> Muntarbhorn, V. (2005). The Mekong Challenge: Employment and Protection of Migrant Workers in Thailand: National Laws/practices Versus International Labour Standards?. Bangkok: International Labour Organization.

The Convention No. 98 on the Right to Organize and Engage in Collective Bargaining is the other convention, and it was adopted in 1949. The Convention places a strong emphasis on the requirement that employees be shielded from discrimination based on union affiliation. Yellow trade unionism is seen as the employer interfering with trade union rights within the parameters of the contract. Forcible labor prevention is addressed by two of the treaties. These are Convention No. 105, Abolition of Forced Labor, which was enacted in 1957 and Convention No. 29, Forced Labor Convention, which was adopted in 1930. According to Convention No. 29, forced labor ought to be abolished as quickly as feasible. It is anticipated that forced labor would be carefully regulated and subject to dissuasive legal penalties. The state agreed to provide the appropriate help to the victims of the situation in the 2014 Protocol adopted for the Convention. Other steps included teaching the socially disadvantaged groups to avoid becoming victims of forced labor. Contrarily, Convention No. 105 specifies that the state cannot utilize forced labor under the guise of economic growth to repress viewpoints that conflict with its own ideology or as a means of retaliating against employees who take part in strikes.<sup>44</sup>

In terms of child employment, the Minimum Age Convention No. 138 adopted in 1973 and the Emergency Action Convention No. 182 on the Prohibition and Elimination of the Worst Forms of Child Labor adopted in 1999 are frequently used. Convention No. 138 emphasizes the need to set a minimum working age consistent with the physical and mental development of children. The minimum working age to be determined cannot be less than 15. However, exceptions are made in the contract for countries with insufficiently developed economy and educational opportunities, and it is stated that the minimum working age can be 14. Convention No. 182 defines the worst forms of child labor. Accordingly, slavery and practices similar to slavery, the use of children in prostitution, the production of pornographic content or pornographic performances, the use of children in illegal activities, especially drug production and smuggling defined in international agreements, jobs that are

<sup>&</sup>lt;sup>44</sup> Gernigon, B., Odero, A., & Guido, H. (2000). ILO principles concerning collective bargaining. Int'l Lab. Rev., 139, 33.

<sup>&</sup>lt;sup>45</sup> Betcherman, G., Fares, J., Luinstra, A., & Prouty, R. (2004). Child labor, education, and children's rights. World Bank Social Protection Discussion Paper Series, 412.

likely to harm the health, safety or morals of the child due to working conditions. listed as the worst forms of child labor. It is stressed that all necessary measures must be taken urgently to eradicate the worst forms of child labor. With the ratification of the Convention No. 182 by the Kingdom of Tonga on August 4, 2020, it became the first ILO agreement ratified by all member states and gained a universal character.<sup>46</sup>

Finally, two agreements concern discrimination. These are Equal Pay Convention No. 100, adopted in 1951, and Convention No. 111, Discrimination at Work and Occupation, adopted in 1958. Convention No. 100 ensures that women and men receive equal pay for equal work. In the Convention No. 111, it is accepted that equality of opportunity and equal treatment should be ensured in order to eliminate discrimination in employment and profession.<sup>47</sup>

The reference to these eight conventions listed in the international framework agreement has a significant impact. For example, the international framework agreement with Securitas provided for the recognition of labor unions by the national management of the business in the United States. The international framework agreement with Danone, on the other hand, provided the recognition of trade union rights and also stipulated that workers should receive training on these rights. In addition, the agreement also included provisions to cover the costs of labor union experts for their leave and work.<sup>48</sup>

Although the primary issue in the international framework agreement is the fundamental rights to work, there are also provisions related to working conditions such as wages and working hours. As a matter of fact, international framework agreements usually repeat national labor law regulations or collective bargaining agreements, if any, in terms of working conditions. For example, in the international framework agreement signed with

<sup>&</sup>lt;sup>46</sup> ILO, "ILO Child Labour Convention achieves universal ratification", News, https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS\_749858/lang-en/index.htm

<sup>&</sup>lt;sup>47</sup> Landau, E. C., & Beigbeder, Y. (2008). The ILO. In From ILO Standards to EU Law (pp. 11-22). Brill Nijhoff.

<sup>&</sup>lt;sup>48</sup> Telljohann, V., Costa, I. D., Müller, T., Rehfeldt, U., & Zimmer, R. (2009). European and international framework agreements: New tools of transnational industrial relations. Transfer: European Review of Labour and Research, 15(3-4), 505-525.

Euradius in 2005, it was stated that the wage cannot be below the amount determined for the sector by legal regulations or collective bargaining agreements in the country where the work is performed.<sup>49</sup>

It is claimed that vague expressions about working conditions are used in the international framework agreement. The agreement has been criticized by arguing that it should contain definite provisions instead of referring to national labor law legislation in terms of working conditions. However, as developing countries compete over labor costs, governments do not adequately monitor labor protection provisions of their labor laws. Thus, national labor law legislation remains on paper and does not turn into practice. In this sense, the reference to national labor law legislation in the international framework agreement will eliminate the lack of supervision by ensuring that labor unions are involved in the process. <sup>50</sup>

Environmental protection and problems like rebuilding are covered under the global framework agreement. It is well known that multinational corporations have changed their organizational structures as a result of the globalization process and neoliberal economic policies, and they now geographically spread their production phases. On the other hand, there are no provisions in national labor law laws that attempt to guarantee workers or to prepare them in advance for changes in the production style of the company they work for. The international framework agreement fills up the gaps in national labor law laws in this regard by inserting clauses that consider how restructuring plans affect employees. In the great majority of international framework agreements, parties undertake to promptly notify representatives of the workforce of changes to the MNC's production organization. It was determined in certain agreements to go beyond this and give employees training to hone their talents. Under reality, it was planned to create a specific unit for the workers who will be impacted by the restructuring process in the international framework agreement with Danone. This unit's declared goal is to assist jobless people in finding new employment that

<sup>&</sup>lt;sup>49</sup> Sobczak, A. (2007). Legal dimensions of international framework agreements in the field of corporate social responsibility. Relations industrielles/Industrial relations, 62(3), 466-491.

<sup>&</sup>lt;sup>50</sup> Ibid, pp. 474-475

matches their qualifications, area of residence, and working circumstances from their prior position.<sup>51</sup>

On the other hand, the international framework agreement may contain provisions regarding the problems that workers may encounter outside the working life or the environmental impacts of the multinational enterprise's activities. As a matter of fact, since the international framework agreement is a part of the corporate social responsibility practices of the multinational enterprise, environmental issues are always included. For example, clear provisions on environmental protection were found in approximately 80% of international framework agreements with multinational enterprises in the chemical industry until 2007.<sup>52</sup>

However, 9 of the 52 international framework agreements examined in the research conducted in 2008 have provisions on the fight against AIDS.<sup>53</sup> The inclusion of these issues in international framework agreements also creates an opportunity for cooperation between trade union organizations and non-governmental organizations. It should be ensured that the international framework agreement does not remain on paper after signing and that workers benefit in concrete terms from their fundamental rights to work. In this sense, all parties involved in the global value chain should be informed about the agreement. After the briefing, the agreement should be put into practice with the participation of all parties in the global value chain. However, putting the agreement into practice is not enough. Compliance with the terms of the agreement should be monitored throughout the global value chain and necessary measures should be taken in case of violation. Only at the end of such an implementation process will the agreement have a tangible effect. In this context, the implementation process of the agreement will be handled as the information phase, the implementation phase and the monitoring phase.

<sup>&</sup>lt;sup>51</sup> Sobczak, A. (2007). Legal dimensions of international framework agreements in the field of corporate social responsibility. Relations industrielles/Industrial relations, 62(3), 466-491.

<sup>52</sup> Ibid

<sup>&</sup>lt;sup>53</sup> Egels-Zandén, N. (2009). TNC motives for signing international framework agreements: A continuous bargaining model of stakeholder pressure. Journal of Business Ethics, 84(4), 529-547.

Informing is the stage in which workers, employers and the public in the global value chain are informed about the existence, subject, purpose, etc. of the international framework agreement. At this stage, methods such as translating the international framework agreement into the languages of the countries where the subcontractors are located in the global value chain and publishing the text of the agreement on the website of the relevant multinational enterprise are used. <sup>54</sup> Indeed, according to trade unions, for the successful implementation of the international framework agreement, the agreement must be translated into all relevant languages and all workers and managers in the global value chain should be informed of the content of the agreement. <sup>55</sup>

For the briefing phase to be successful, there must be communication channels in the global value chain where subcontractors can be informed about the agreement (top-down) and verify this information (bottom-up). For example, PSA Peugeot Citroen business held a meeting covering the global value chain on January 18, 2007 to establish these communication channels and to inform its subcontractors about the international framework agreement. The subcontractors had to sign the document listing the key provisions of the agreement in order to verify the information given about the agreement at the meeting. On the workers' side, membership in the global union federation is important. Because the global trade union federation has the function of coordinating trade unions in the global value chain, whether they are signatories of the international framework agreement or not. It is prevented that the agreement is perceived as a tool that does not create a tangible effect on a national scale. Some international framework agreements negotiated with French multinational enterprises made it compulsory for nationally organized labor unions to participate in the entire implementation process of the agreement, starting from the briefing stage. For example, in the international framework agreement with Danone, the management of the subcontractors and the labor unions organized under the subcontractors are held responsible for the concrete implementation of the provisions set out in the agreement. However, the

<sup>&</sup>lt;sup>54</sup> Sobczak, A. (2007). Legal dimensions of international framework agreements in the field of corporate social responsibility. Relations industrielles/Industrial relations, 62(3), 466-491.

<sup>&</sup>lt;sup>55</sup> Telljohann, V., Da Costa, I., Müller, T., Rehfeldt, U., & Zimmer, R. (2009). European and international framework agreements: Practical experiences and strategic approaches.

EDF business envisaged that the social dialogue between employers and trade unions across the global value chain for the implementation of the international framework agreement should be initiated within six months of signing.<sup>56</sup> On other words, it is one of the aims of the international framework agreement to organize all workers in the global value chain by enjoying union rights. For this reason, especially in countries where there are subcontractors, the union organization that signed the agreement should communicate directly with the workers throughout the implementation process, especially the information phase, until the labor unions are organized.<sup>57</sup>

In the information phase, there are some difficulties that arise depending on the type of value chain. In this context, it is known that the value chain is divided into two according to its type. The first of these is the producer-driven value chain. The most important feature of the producer-driven value chain is that it is effective in lines of production based on advanced technology. For this reason, there are few manufacturers in the relevant business lines. In this sense, it is the producers who create the value chain and determine the rules. 146 In the producer-driven value chain, the first-degree subcontractor may have bargaining power vis-à-vis the multinational enterprise due to its technological expertise in the production stage it undertakes. In this case, since the multinational enterprise cannot take the risk of losing the subcontractor, it will not inform him about the agreement and demand that he change the working conditions that are not in accordance with the agreement.<sup>58</sup> On the other side, there are business sectors where investing in cutting-edge technology is not essential for production that have a buyer-driven value chain. There are several producers in these industries since manufacturing is not focused on cutting-edge technology. Due of this, the multinational corporations—who also act as the producers of the goods—constitute the value chain and set the regulations. Buyer-driven value chains are prevalent in sectors like

<sup>&</sup>lt;sup>56</sup> Sydow, J., Fichter, M., Helfen, M., Sayim, K. Z., & Stevis, D. (2014). Implementation of global framework agreements: Towards a multi-organizational practice perspective. Transfer: European Review of Labour and Research, 20(4), 489-503.

<sup>&</sup>lt;sup>57</sup> Anner, M., Bair, J., & Blasi, J. (2013). Toward joint liability in global supply chains: Addressing the root causes of labor violations in international subcontracting networks. Comp. Lab. L. & Pol'y J., 35, 1.

<sup>&</sup>lt;sup>58</sup> Ibid

apparel and textiles. In reality, it is essentially difficult to communicate the international framework agreement to the subcontractors doing industrial tasks throughout the buyerdriven value chain. Because the multinational firm often bargains with the intermediates in the buyer-driven value chain. Through intermediaries, subcontractors that do production tasks are indirectly involved in the value chain. As a result, the international corporation is unaware of the nation where the industrial activity is taking place. In actuality, the multinational corporation does not apply pressure on the intermediary regarding the location of the industrial activity since it wants to acquire a pricing advantage. On the other hand, the subcontractor will quit the value chain if they are aware of the nation where the industrial activity is taking place and alert the multinational company about the international framework agreement. Because the subcontractor executing the production activity typically collaborates with many multinational corporations in the buyer-driven value chain. The international framework agreement in this situation would result in higher labor costs for subcontractor management and consequent exclusion from other multinational companies' value chains. For this reason, it will choose to quit the multinational company that informs about the agreement's worldwide value chain rather than lose other multinational companies that are subcontracted consumers.<sup>59</sup>

On the other hand, informing about the international framework agreement is not enough. Successful implementation of the agreement requires that all trade union representatives and workers in the global value chain have the necessary knowledge and skills. For this reason, training is provided at the information stage. The training aims to facilitate the use of the international framework agreement by trade union representatives and workers in the global value chain. For example, during the implementation of the international framework agreement with SecureCorp, UNI Global Union (UKS/UNI) trained trade union representatives in India on collective bargaining.

<sup>&</sup>lt;sup>59</sup> Müller, T., Platzer, H. W., & Rüb, S. (2008). International Framework Agreement: Opportunities and Limitations of a New Tool of Global Trade Union Policy. Friedrich-Ebert-Stiftung, Internat. Entwicklungszusammenarbeit, Globale Gewerkschaftspolitik.

<sup>&</sup>lt;sup>60</sup> Sydow, J., Fichter, M., Helfen, M., Sayim, K. Z., & Stevis, D. (2014). Implementation of global framework agreements: Towards a multi-organizational practice perspective. Transfer: European Review of Labour and Research, 20(4), 489-503.

However, in the international framework agreements signed with Lukoil, Statoil and Inditex, it was decided to provide training for the management staff of labor unions and subcontractors organized in the global value chain. Although the parties carry out their training activities independently of each other, in most cases the costs are borne by the multinational enterprises.<sup>61</sup>

After the international framework agreement is signed, it enters into force to cover the global value chain. Therefore, the process of implementing the agreement cannot be limited to the signatories. Everyone who will be affected by the agreement in the global value chain is also the implementer of the agreement. In this sense, the implementation phase of the international framework agreement aims to ensure the participation of all parties in the global value chain in the implementation process of the agreement. How workers are represented in the agreement is important for the implementation phase of the international framework agreement. Because, for the implementation of the agreement, vertical or horizontal coordination between the workers should be ensured according to the way of representation.

In the international framework agreement where workers are represented through a global union federation, nationally organized labor unions are not part of the bargaining process with the multinational enterprise. For this reason, nationally organized labor unions may be reluctant to accept and implement the provisions of the agreement, even if they are members of the global union federation that concluded the agreement, since they are not involved in the bargaining process. This will mean that vertical coordination between trade union organizations cannot be ensured.<sup>62</sup>

Without the global trade union federation solving this problem, the implementation of the international framework agreement it has signed is not possible. Because it is the nationally organized labor unions that will put the international framework agreement into practice. The global union federation has neither the legal basis nor the member power to

<sup>&</sup>lt;sup>61</sup> Hadwiger, F. (2015). Global framework agreements: Achieving decent work in global supply chains?. International Journal of Labour Research, 7.

<sup>&</sup>lt;sup>62</sup> Traxler, F., & Mermet, E. (2003). Coordination of collective bargaining: the case of Europe. Transfer: European Review of Labour and Research, 9(2), 229-246.

implement the agreement it signed at the national level. The global trade union federation is accepted and functions as the representative of its member national labor unions in the global value chain.

Global union federations establish communication channels with their member labor unions, which they represent in the bargaining process, in order to overcome this problem. With the trade union communication channels established, nationally organized labor unions are brought to the agenda to raise awareness about international framework agreements, to inform them during the bargaining process and to get their opinions. Thus, even if the nationally organized labor unions cannot directly participate in the bargaining process with multinational enterprises, they evaluate the agreements as a joint decision and adopt the agreed collective bargaining targets. If workers are represented by a nationally organized trade union, then implementation of the agreement requires horizontal coordination. Horizontal coordination refers to harmonizing the collective bargaining goal of multiple nationally organized trade unions along the global value chain of the multinational enterprise. In this sense, the interests of trade unions may differ from country to country, and reaching a consensus to coordinate bargaining becomes almost impossible. For this reason, providing horizontal coordination can sometimes cause problems. 64

As a matter of fact, the implementation of the international framework agreement concluded by the nationally organized labor union requires it to establish close relations with its counterparts organized in the same industry but in different countries. On the other hand, it is known that the international framework agreement covers subcontractors in the global value chain. In this context, the implementation phase of the agreement leads to the concreteness of the contractual responsibility of the subcontractors. The practices regarding the responsibility of subcontractors differ from one international framework agreement to another. In general, there is a commitment in the agreements stating that the multinational

<sup>&</sup>lt;sup>63</sup> Wills, J. (2002). Bargaining for the space to organize in the global economy: a review of the Accor-IUF trade union rights agreement. Review of International Political Economy, 9(4), 675-700.

<sup>&</sup>lt;sup>64</sup> Sydow, J., Fichter, M., Helfen, M., Sayim, K. Z., & Stevis, D. (2014). Implementation of global framework agreements: Towards a multi-organizational practice perspective. Transfer: European Review of Labour and Research, 20(4), 489-503.

enterprise will inform the subcontractors about the provisions of the agreement. In this case, the subcontractors do not face any sanctions when they do not comply with the provisions of the international framework agreement.

As a matter of fact, detailed sanctions to be applied in case of subcontractors violating the provisions of the agreement can be found in international framework agreements. These sanctions can range from warning the subcontractors to the termination of the contract between the multinational enterprise and the subcontractor. So, the most severe sanction for violating the provisions of the international framework agreement can go up to being removed from the global value chain.<sup>65</sup> In some international framework agreements, sanctions are imposed in case of violation of provisions on human rights, occupational health and safety, etc. Multinational enterprises claim that they resort to this method in order not to ignore the autonomy of subcontractors. The sanctioning of subcontractors from the international framework agreement depends on the type of governance between the MNC and the subcontractor. This governance is examined in three ways. In modular governance, the conditions for the product to be produced by the subcontractor are determined by the multinational enterprise. However, the subcontractor is not dependent on the multinational enterprise in terms of the technological knowledge required by the production stage it undertakes. For this reason, the multinational enterprise may not be able to secure the subcontractor's compliance with the provisions of the international framework agreement with sanctions. In relational governance, there is interdependence between the multinational enterprise and the subcontractor in terms of both the conditions for the product to be produced and the technological knowledge required by the production stage. Because of the dependency, the multinational enterprise cannot sanction the subcontractor for complying with the provisions of the international framework agreement. The last type of governance is effective in the value chain where the subcontractor is directly dependent on the multinational enterprise.

<sup>&</sup>lt;sup>65</sup> Schömann, I., Sobzack, A., Voss, E., & Wilke, P. (2008). International framework agreements: new paths to workers' participation in multinationals' governance?. Transfer: European Review of Labour and Research, 14(1), 111-126.

In this structure called captive governance, since the subcontractor is dependent on the multinational enterprise, compliance with the provisions of the international framework agreement may be made compulsory by sanctions. The implementers of the international framework agreement are not only the workers and employers. The states hosting the production stages are also responsible for the implementation of the agreement. Because without state support, it is not possible for employees to benefit from basic rights.<sup>66</sup>

Fundamental rights to work, which form a large part of the international framework agreement, should also be considered in this context. States' support for the enactment of the treaty is also important to the legal value of the treaty. Because the international framework agreement is not legally binding. With the rapid development of information and communication technologies, the inhumane working and living conditions that arise in countries where subcontractors are located in global value chains have been noticed by consumers. Thus, while the trust in multinational enterprises was shaken, boycotting the products produced by enterprises caused great economic losses. For this reason, multinational businesses are trying to gain the trust they lost by showing their consumers that they are socially responsible without the possibility of being subject to legal sanctions, contrary to labor law regulations, with international framework agreements. In other words, the aim of multinational enterprises is to protect their profits and market share through agreements that are not legally binding. In this context, the fact that states support the fundamental rights to work included in the international framework agreement with public policies can make the agreement legally binding.<sup>67</sup>

In this regard, governments help the execution of the agreement in various ways. States can, for instance, match the clauses of international framework agreements with their own labor laws. In fact, the execution of the agreement may begin with national labor law rules. Because the employees covered by the international framework agreement are directly

<sup>&</sup>lt;sup>66</sup> Gomes, V. B. (2020). The right to work and rights at work. In Research Handbook on Economic, Social and Cultural Rights as Human Rights. Edward Elgar Publishing.

<sup>&</sup>lt;sup>67</sup> Luterbacher, U., Prosser, A., & Papadakis, K. (2017). An emerging transnational industrial relations? Exploring the prospects for cross-border labour bargaining. International Labour Review, 156(3-4), 307-343.

impacted by the state's national labor law restrictions. The agreement's provisions are incorporated into national labor laws, ensuring that employees may successfully use their inalienable rights to employment. This procedure renders the terms of the contract enforceable. The majority of nations either postpone or do not implement the treaty's terms in their national legal framework. This indicates that workers' rights continue to be lost since they are unable to exercise their basic right to an income. In this regard, requiring that the national courts consider the terms of the international framework agreement when rendering judgments or interpreting domestic labor law legislation is another technique for ensuring the execution of the international framework agreement. In this case, it is contended that the national court should consider all pertinent international documents, even those that are not specified in the agreement, in addition to the ILO conventions that are listed in the agreement.

In cases when requirements of an international framework agreement have been violated, several jurisdictions permit workers to file a claim directly with the national court. As a result, even if the agreement's terms have not been incorporated into the applicable states' labor laws, they are nonetheless seen as the employees' vested rights. However, due to fear of losing their job or because of employer threats and pressure, it is not always viable for the worker to apply to the national court alone. The state must lessen its involvement in the social and economic spheres in order to comply with neoliberal economic principles. However, it is well known that as a result of the globalization process, capital may move freely and without any restrictions across national boundaries. As a result, multinational corporations externalize the manufacturing processes in a way that gives them a competitive pricing advantage. As a result, state competition has started to appear in the global value chains of multinational corporations. In other words, states are now involved in economic rivalry. In this regard, it is important to highlight that governments in nations with subcontractors are not eager to support the adoption of the global framework agreement.

Inspection is a method for determining if the working conditions specified in the agreement that has taken effect are being adhered to.<sup>68</sup>

The parties' adherence to the clauses established in the international framework agreement is observed during the inspection phase in this aspect. At this point, whether a multinational corporation is honest in its attempts to enhance working conditions along the global value chain may be determined by the attitude of the central management. There are several ways to audit the global framework agreement. The first of these is that the multinational corporation's central management independently checks to see if the agreement is being followed. This strategy will not be able to adequately monitor the deal if the MNC closed the agreement merely to prevent negative press. However, substantial consequences for violations as well as agreement monitoring will be on the table if the multinational firm uses the agreement to enhance working conditions in the global value chain.<sup>69</sup>

One of the important mechanisms that ensures adherence to the provisions of the international framework agreement and corrects violations is social pressure. If the violation is not remedied, the workers' side protests against the multinational enterprise as a last resort. In these protests, starting from the countries where the multinational enterprise has the highest market share, consumers and non-governmental organizations are informed about the violated provision or provisions of the agreement. Thus, public pressure is created against the multinational enterprise.<sup>70</sup>

As a matter of fact, the elimination of the violation as a result of social pressure leads the workers in the workplaces that are subcontracted to the global value chain to embrace the agreement. Because the trade union organization representing the workers side shows

<sup>&</sup>lt;sup>68</sup> Adebola, T., & Al-Alami, B. (2019). Viewing the International Labour Organization's Social Justice Praxis Through a Third World Approaches to International Law Lens: Some Preliminary Insights. ILO 100.

<sup>&</sup>lt;sup>69</sup> Stevis, D., & Creation, J. (2010). International framework agreements and global social dialogue: Parameters and prospects. Geneva: ILO.

<sup>&</sup>lt;sup>70</sup> Schömann, I., Sobzack, A., Voss, E., & Wilke, P. (2008). International framework agreements: new paths to workers' participation in multinationals' governance?. Transfer: European Review of Labour and Research, 14(1), 111-126.

that the agreement has a tangible effect for workers working in subcontractors. It is known that the purpose of international framework agreements is to prevent inhumane working conditions in global value chains. Inhumane working conditions are the result of international income generation. Because, especially developing countries getting a share from the income created has become dependent on their inclusion in global value chains. For this reason, economic competition has started between countries. This competition is made on the basis of labor cost and causes working conditions that do not suit human dignity. In this sense, labor law practices, which aim to reduce the power dissymmetry between the employer and the employee, have begun to be evaluated on the basis of labor cost.

### 1.3 The main features of International Framework Agreements

International framework agreements are the product of social dialogue. In this sense, an international framework agreement is the result of negotiations between a multinational enterprise and one or more trade union organizations representing workers. For a long time, multinational enterprises did not even hold informal talks with these organizations, as they did not want to recognize trade union organizations, especially global trade union federations, as the party representing workers. In the same period, the nationally organized labor unions' reluctance to transfer some of their powers to global union federations and insistence on national strategies also negatively affected the efforts of trade union organizations in this context. For this reason, the conclusion of agreements as a result of mutual bargaining between trade union organizations representing workers and multinational enterprises is a result of intense efforts for trade union organizations. As a matter of fact, it was possible for the first time in 1985 to accept a globally organized labor union as a bargaining chip against a multinational enterprise. The agreement for the establishment of the liaison committee between the parties was made with Thomson Grand Public as it was then known.<sup>71</sup> Through bargaining, workers take on more than just a party where information is given when necessary or opinions are sought on certain issues. The unions representing the workers are accepted as the addressee of the employer side from the moment the bargaining starts. In this sense, as the labor unions, whose activities are limited to the national context, gain representation with their superior organizations, the power dissymmetry between them and multinational enterprises8 tends to decrease. Moreover, the recognition of international trade union organizations as an official party through bargaining may facilitate overcoming the anti-trade union attitudes that are highly effective at the local level.

Negotiations can also have benefits for workers during the implementation of agreements. Because bargaining ensures that the union organization is included in all processes of the agreement and as a result, a pressure arises in terms of the obligations

<sup>&</sup>lt;sup>71</sup> Hammer, N. (2005). International Framework Agreements: global industrial relations between rights and bargaining. Transfer: European Review of Labour and Research, 11(4), 511-530.

undertaken by the employer.<sup>72</sup> Thus, the agreements, which are the result of social dialogue, are considered as the joint decision of the parties thanks to the bargaining, and they provide an opportunity to correct the violations by giving place to the worker side in the implementation process, beyond the principles of execution created unilaterally by the multinational enterprises.<sup>73</sup>

This also greatly distinguishes international framework agreements from agreements signed by multinational enterprises by bargaining with organizations other than trade union organizations to socially regulate their global value chains. Because workers are not included in the formation and implementation of these agreements, the violations are not noticed at first hand and as a result, the objectives targeted by the agreements are not realized. The realization of negotiations depends on the willingness of multinational enterprises to conclude an international framework agreement. Because there is no legal obligation for international framework agreements today. Due to the voluntary nature of agreements, multinational enterprises are often unwilling to negotiate. Global union federations and nationally organized labor unions have had to stage cross-border protests against businesses on multiple occasions to initiate negotiations. As a matter of fact, if this reluctance of multinational enterprises continues in the future, the number of agreements will be limited and international trade union goals will not be realized.<sup>74</sup>

The value chain is defined as all the activities carried out by the enterprises for the purpose of capital accumulation, from the idea stage to the delivery of the final product to the consumers. Multinational enterprises have started to distribute each product-related stage to different geographies over time, and their value chains have gained a global character. Subcontractors, who are in the global value chains formed by multinational enterprises,

<sup>&</sup>lt;sup>72</sup> Stevis, D., & Creation, J. (2010). International framework agreements and global social dialogue: Parameters and prospects. Geneva: ILO.

<sup>&</sup>lt;sup>73</sup> Du Preez, H., & Smit, P. (2017). The role of international framework agreements in transnational labour regulation. South African Journal of Labour Relations, 41(1), 64-74.

<sup>&</sup>lt;sup>74</sup> Niforou, C. (2012). International framework agreements and industrial relations governance: Global rhetoric versus local realities. British Journal of Industrial Relations, 50(2), 352-373.

participate in the process with their technological knowledge and services at any stage of production where they specialize.<sup>75</sup>

International framework agreement is one of the tools that enable workers to enjoy their fundamental rights to work. Fundamental rights to work are emphasized in international framework agreements with reference to documents such as ILO's Declaration of Fundamental Rights and Principles at Work, the United Nations (UN) Universal Declaration of Human Rights and the Global Compact, and the Organization for Economic Development and Cooperation's Guide to Multinational Enterprises. In terms of fundamental rights to work, it is not a coincidence that references are made to the right documents created by international organizations. Trade unions state that references to national laws and practices will worsen working conditions where improvements are needed. On the other hand, multinational enterprises oppose the attitude of trade unions by frequently stating that international principles that do not comply with national laws will cause legal problems. It should be noted that international framework agreements aim to overcome the reluctance and growing failure of governments in this regard by ensuring the enjoyment of fundamental rights to work along global value chains. Benefiting from the fundamental rights to work is an objective in itself, and at the same time it is of great importance for the continuous improvement of working conditions. Through international framework agreements, it is aimed that workers along the global value chains achieve new gains continuously by using their fundamental rights to work. In this sense, the term framework also emphasizes that the agreements are not exhaustive. Treaties often provide only a framework for fundamental rights to work. Thanks to the framework it created, the organization of workers at the local level and their sitting at the collective bargaining table is one of the main reasons for the agreements. For this reason, international framework agreements have a complementary function rather than replacing collective bargaining agreements concluded at different levels according to the industrial relations system of each country. International framework agreements reiterate fundamental rights to work and thus include issues addressed by executive principles. This similarity is sometimes misinterpreted. Multinational business

<sup>75</sup> Riisgaard, L. (2005). International framework agreements: A new model for securing workers rights?. Industrial relations: A journal of Economy and Society, 44(4), 707-737.

administrations include only the issues that are met with concern by the society in their unilaterally established executive principles. On the other hand, in international framework agreements, the two parties come together to negotiate issues of concern to the workers and reach a solution that will be implemented meticulously in all production stages of the multinational enterprise. As a matter of fact, one of the most worrying issues for workers is the enjoyment of fundamental rights to work.

#### 1.4 Definition and features of Labor Law

Since the second part of the nineteenth century, countries that had been experiencing growing industrialization were the ones responsible for the development of comprehensive labor laws. It is made up of a variety of rules and sources, and it is held together by the purpose of protecting, on multiple levels, the component of the employment relationship that is considered to be the most vulnerable (that is, the employee), as well as any other subjects that are deemed to be deserving of protection. These rights have traditionally been differentiated under trade union law, labor law, and social security law in their respective strict senses. For instance, trade union law addresses issues such as freedom of association, the right to strike, and the right to participate in collective bargaining. The legal connection that exists between an employer and an employee is tightly regulated by labor law (employer and employee). The purpose of the legislation governing social security is to safeguard individuals from experiencing adverse circumstances at any point in their lives. To

Labor law, whose birth dates back to the industrial revolution, is defined as the branch of law that regulates business relations. This is an incomplete definition. The need for protection of workers, which is the most important factor in the emergence of labor law, has not been taken into account in the definition. As a matter of fact, labor law, unlike other branches of law, is based on an understanding that does not accept the assumption of absolute equality between the parties in the employment relationship and envisages making arrangements in favor of the weak worker. Because, contrary to the assumptions of economic liberalism, employers unilaterally determine the conditions of the working relationship by using the power of owning the means of production in the absence of state intervention to the fullest on workers who have nothing to make a living but their labor. This situation causes employers to employ workers under harsh conditions arbitrarily and in a way that is not befitting human dignity in order to gain more profit. Employees who live for themselves and

<sup>&</sup>lt;sup>76</sup> McConnell, C. R., & Brue, S. (2017). Contemporary labor economics. McGraw-Hill Education.

 $<sup>^{77}</sup>$  Maupain, F. (2013). The future of the International Labour Organization in the global economy. Bloomsbury Publishing.

<sup>&</sup>lt;sup>78</sup> Toynbee, A. (2013). The industrial revolution. Read Books Ltd.

their families depending on the wage income they earn do not have any choice in order not to be unemployed in the face of the working conditions determined unilaterally by the employer.<sup>79</sup>

In this sense, in the new working relationship that emerged after the industrial revolution with the state labor law regulations, it aims to regulate the labor market by eliminating the power dissymmetry between the worker and the employer. To achieve this goal, the state can try to redistribute wealth through taxes and transfers. It may seek to snatch power from wealth by mandating the participation of workers in business and workplace governance. However, encouraging trade union activities or leaving the distribution of wealth and power as they are and setting minimum working conditions are actions to achieve this goal. For example, in the period when labor law first emerged, the state tried to set a minimum limit in terms of working conditions subject to employment contracts by enacting laws. Especially in the period that gained momentum with the welfare state practices that emerged after the Second World War, it secured union activities, accepted the legitimacy of strikes and started to support collective bargaining agreements. In the post-1980 period, the advocates of neoliberal economic policies saw labor law as a cost element that prevents the free functioning of the markets. In this sense, while individual labor relations came to the fore in order to save labor costs, collective labor relations were regressed.

However, as can be seen from the definition, labor law has been considered as a branch of law that covers all kinds of work actions. However, many different branches of law emerge depending on the type and nature of the work done, and the relationship between the employee and the employee, and it is not possible to organize them as a set of rules. In this sense, the working relationship within the scope of labor law is based on a free-willed employment contract and takes place in a dependent manner. When labor law is defined by taking this situation into account, it is a set of rules regulating the rights and responsibilities of individuals who work as dependents or accept dependent work, which differ from or complement the general legal rules. This definition may not be sufficient. Because labor law

<sup>&</sup>lt;sup>79</sup> Haworth, N., & Hughes, S. (2012). The International Labour Organization. Handbook of Institutional Approaches to International Business, 204-218.

does not only regulate the individual working relationship. From the moment it emerged, labor law has had a dynamic nature in terms of scope. This is due to the constant change in the problems that workers face every day in their working relationship and their solution expectations. Thus, labor law cannot be reduced to a set of pre-established principles and rules that are considered immutable.

In parallel with the changing conditions and social development, the labor law should evolve continuously and be in constant motion and change in terms of subject matter. In this context, two different sub-branches have emerged in labor law over time. While the first of these is individual labor law, which is included in the definition and deals with dependent work individually, the other sub-branch is collective labor law, which this time involves the struggle of workers as well as state intervention in the labor market, which is about regulating dependent work collectively.

Collective labor law includes collective bargaining, collective bargaining agreements, emerging disputes and their peaceful or combative resolution, and regulates the relationship between labor unions and employers or employers' organizations. These two sub-branches, which draw the boundaries of labor law in terms of subject, are in constant interaction. For example, wage is one of the most important issues of individual labor law, as well as the most important agenda item of collective bargaining processes.<sup>80</sup>

In this sense, employers or employers' organizations of employees and trade union organizations established by the state, based on employment contracts, created by the state for the economic and social protection of workers who are dependent on working and living conditions that may arise due to the ownership of the employer's means of production within the labor law employment relationship. It can be defined as the branch of law that regulates the relationship between

Labor law is defined as the law of protection of workers. The most important factor that leads to the emergence and continuous development of labor law is the unilateral rule-making power of employers in the employment relationship, arising from the ownership of the means of production. Because, thanks to this unilateral rule-making power, employers

 $<sup>^{80}</sup>$  Chaison, G. (2012). The new collective bargaining. Springer Science & Business Media.

have an advantage over workers and therefore results against workers. Therefore, preventing the unilateral determination of working conditions and thus protecting workers can be put forward as the most important element that constitutes labor law.<sup>81</sup>

The need for workers' protection is primarily economic. Workers often do not have any income other than the wages they receive. In this sense, there is no doubt that workers are economically dependent on employers. It is of great importance for the protection of workers to prevent the negative reflection of the economic power imbalance between the worker and the employer on working and living conditions. However, the need for workers' protection is not just about economic conditions. In this context, it should not be forgotten that labor is not a commodity. For this reason, it is also necessary to protect the dignity and honor of workers. Thus, the need for workers' protection also has a social dimension.<sup>82</sup>

The protection of workers socially and economically has been possible by the state's restriction of the freedom of contract. While the freedom of contract is related to the right of individuals to conclude a contract with their free will, on the other hand, it is evaluated as the free determination of the subject and content of the contract. Thus, the fact that the freedom of contract is valid without any restrictions means that an environment of absolute equality and freedom is assumed between the parties to the employment contract. This understanding is a reflection of the idea of economic liberalism, which was especially effective in the early stages of industrialization. However, the employment contract is not concluded between equal parties, but as a result of bargaining between two parties with asymmetry of power. As a result of the understanding and acceptance of this situation, the freedom of contract is limited. One of the most important means of limiting the freedom of contract is the mandatory provisions created by the state. These provisions, which aim to intervene in the labor market, are divided into two in terms of labor law. The first of these is called relative imperative provisions or social public order provisions. Relative mandatory provisions draw a limit in terms of the conditions of the employment relationship. It is possible to exceed this limit and to determine better working conditions in favor of workers

<sup>&</sup>lt;sup>81</sup> Epstein, R. A. (2014). A common law for labor relations: a critique of the New Deal labor legislation. In Labor and the Constitution (pp. 51-102). Routledge.

<sup>&</sup>lt;sup>82</sup> Barr, N. (2020). Economics of the welfare state. Oxford University Press, USA.

with institutions such as employment contracts or collective bargaining agreements. However, the working conditions cannot be below the limit determined by the relative mandatory provisions. In this sense, relative imperative provisions directly reflect the protective nature of labor law and limit the freedom of contract in favor of workers. As a matter of fact, the provisions aiming to protect the public interest are defined as absolute mandatory provisions or public order provisions. It is not possible to develop absolute mandatory provisions even if they are in favor of the worker. Their purpose is to maintain social order.<sup>83</sup>

Limitation of the freedom of contract in labor law does not occur only within the scope of mandatory provisions. The legalization of labor unions and the fact that workers are an actor with bargaining power against the employer through organization has revealed the collective labor law. In collective labor law, the parties have the power to determine the conditions of the working relationship within the boundaries of the autonomy area drawn by the state. In fact, the parties create mandatory rules that will directly affect the employment contracts, just like the state, through the collective bargaining agreements they have signed at the end of the collective bargaining.

However, the participation of workers in the management of their workplaces is a protective practice within the scope of labor law. Participation of the workers in the management leads them to be informed about the decisions that concern them and to get their opinions. Thus, the employer's right to unilateral management in the workplace is partially limited and workers' dependence on employers is reduced and workers are protected.

Over time, the preferred method for the protection of workers has changed. In the first period of labor law, enterprises were seen as units that only perform production activities. In this sense, the state has regulated the working conditions, especially the issues related to the health and safety of the workers, by means of labor law, and has created mandatory provisions.

<sup>&</sup>lt;sup>83</sup> Servais, J. M. (2022). International labour law. Kluwer Law International BV.

By the end of the 19th century, states, especially England, began to accept the legitimacy of trade union activities. With the effect of welfare state practices after the Second World War, collective labor relations have become the focal point of labor law regulations. The duty of the state in labor relations has been to maintain industrial pluralism in a balanced way. While union activities are supported and encouraged in some countries, laws have been enacted to minimize the effects of conflicts of interest between labor unions and employers. In some countries, governments have abstained from the relations between trade unions and employers and have applied the laissez-faire approach in economics to collective labor relations. In this period, businesses started to be evaluated not only as production units, but also as organizations that could operate in many business lines, have more than one workplace, and nevertheless gather the workforce under a single management, with the effect of the Fordist mode of production. In this sense, the aim to be achieved with collective labor relations was to provide job security in a way that would ensure long-term employment of workers in a single enterprise, beyond regulating working conditions.

The economic crisis that started with the 1970s destroyed the reconciliation between workers, employers and the state after the Second World War. While businesses exposed to global competition reorganized their production activities through global value chains in this period, governments adopted neoliberal economic policies to get rid of the crisis. In this sense, union activities were interpreted as a cost-increasing factor and an intervention in the functioning of the market, and labor law regulations focusing on collective labor relations began to be questioned. On the other hand, the increase in precariousness due to the widespread use of atypical forms of employment has reinforced the pressure on labor law. Because, as atypical work became widespread, the protection provided by labor law has been stripped away. As a result, flexibility and deregulation practices, which mean leaving the labor market regulations to the free market understanding, have started to be effective. In this sense, states have prioritized individuality in the labor market. For example, one of the basic principles advocated by the Thatcher government in England was that individual rights and interests should always take precedence over collective rights and interests. In line with this, with the Employment Act enacted in England in 1988, workers who were exposed to discrimination on the grounds that they were not members of a trade union were given important rights and the power of labor unions was reduced. In short, in the period after the 1980s, labor law was individualized and it was aimed to protect workers against the collective power provided by labor unions rather than employers.<sup>84</sup>

Which of the above methods is more effective is a controversial issue? It is argued that the impact of labor law norms is inversely proportional to the distance between those who will create these norms and those who will be exposed to them. Accordingly, labor law norms determined by collective bargaining agreements signed as a result of collective bargaining will be relatively more effective since they are created by workers and employers. Because the workers and employers who make up the labor law norms are also the people who are directly exposed to these norms. On the other hand, if labor law norms emerge at the end of the legislative and executive processes of the state, it can be said that the effect will be relatively less. This is because the state that creates the labor law norms will not be directly exposed to them.

Therefore, according to this understanding, in a system where social partners are involved in the process of determining labor law norms, it will be possible to achieve the aim of protecting workers more effectively. Employment, individual employment relationships, wages and remuneration, conditions of work, health, safety, and welfare, social security, trade unions and industrial relations, the administration of labor law, and special provisions for particular occupational or other groups are some of the basic subject matter that can be considered within the realm of labor law.

A second subfield of labor law deals with the establishment, modification, and dissolution of individual employment relationships, as well as the duties that flow from those relationships for both parties. It is possible that it will also entail some components of the procedures for promotion, transfer, and termination, as well as compensation. In terms of historical context, the legislation pertaining to these issues was at one point referred to as the "law of master and servant." It implied a contractual relation in which one party agreed to be under the control of the other in the sense that the servant was bound to obey orders not only as to the work that he would execute but also as to the specifics of the work and the

<sup>&</sup>lt;sup>84</sup> Valticos, N. (2013). International labour law. Springer Science & Business Media.

manner in which it would be executed. In other words, the master had complete authority over the servant. In exchange, the master was required to provide the worker with a salary and satisfy specific requirements designed to ensure the worker's safety. As the legal system evolved, the implied terms and statutory incidents that were attached to this relationship began to limit the freedom of contract. These issues included the termination of employment, dismissal procedures and compensation, minimum wages, conditions of work, and social security rights. However, the individual employment relationship remains the subject matter of labor law, which means that basic legal principles, as opposed to legislation and collective agreements, apply to this area of the law. Legally speaking, the individual contract of employment plays a more essential role in nations that adhere to the civil law system than it does in those that adhere to the common law system.<sup>85</sup>

The substantive law on wages and remuneration covers topics such as the forms and methods of payment, the protection of wages against unlawful deductions and other abuses, minimum wage arrangements, the determination of wages, fringe benefits, and, in highly sophisticated economies, incomes policies. Other topics include: the protection of wages against unlawful deductions and other abuses; the protection of wages against unlawful deductions and other abuses; the protection of wages against unlawful deductions and other abuse Wage policies as deliberate instruments of positive management designed to promote economic stability and growth have gradually supplanted the concept of wage regulation as a restraint upon extreme social evils, which has gradually been superseded by the concept of wage regulation as a restraint upon extreme social evils.

The proper notification of wage conditions, the payment of wages in legal tender or by check, the limitation and proper valuation of payments in kind, the freedom of the worker to dispose of his wages, regularity in wage payments, the treatment of wages as a privileged, or secured, debt, and restrictions upon the attachment or assignment of wages are all topics that are covered by legal requirements pertaining to the forms of wages and methods of wage payment.

<sup>85</sup> Fudge, J. (2006). Fragmenting work and fragmenting organizations: The contract of employment and the scope of labour regulation. Osgoode Hall LJ, 44, 609.

Regulation of the minimum wage can take many different forms. One possibility is that it will, in accordance with the model that was initially established by the British Trades Boards Acts beginning in 1909 and continuing onward, provide for wages councils or other comparable bodies to set wages in occupations that do not have any arrangements for collective agreements and in which wages are exceptionally low. It is possible for it to primarily be made up of arbitration arrangements, as is the case in Australia and New Zealand. Alternatively, it is possible for it to establish a statutory rate or criteria for setting such a rate, as is the case in the United States under the Fair Labor Standards legislation. Statutory provisions and collective agreements for determining wages may include a wide variety of wage-related topics, including but not limited to: skill differentials; the elimination of race and sex differentials; payment according to results; the relationship of wages to productivity; wage guarantees for agreed-upon periods of time; and payment according to results. In most cases, matters pertaining to fringe benefits, like as incentives granted based on a variety of conditions, are handled through collective agreements. There is still a great deal of dispute about income policy. It is their general purpose, which is sometimes enshrined in legislation and sometimes expressed in collective agreements or statements of government policy, to curb inflationary pressures that are the result of wage increases that are unrelated to increases in productivity and to do so in a manner that encourages a more equitable distribution of income. Sometimes this purpose is embodied in legislation, and sometimes it is expressed in statements of government policy.<sup>86</sup>

It is impossible to discuss the standards policy of the ILO without first elaborating, even if only briefly, on the primary elements that define the activities linked to standards that are carried out by the Organization. Tripartism is the first of them, and it is the only one of these that extends beyond the framework of standards and is, in fact, a characteristic of the Organization itself. It is not the intention of this piece of writing to elaborate on all of the facets that comprise tripartism. It is important to keep in mind, however, that the International Labour Conference and the Governing Body are both composed of a tripartite membership. This is true of both of the organisations' decision-making processes. At the

<sup>&</sup>lt;sup>86</sup> Neumark, D., & Wascher, W. L. (2008). Minimum wages. MIT press.

Conference, which is the highest body of the Organization and which adopts international labor standards, each of the 175 member States is represented by four delegates: two delegates representing the government, a delegate representing workers, and a delegate representing employers. Each of these delegates, in legal terms, has complete freedom in the exercise of their right to vote. In addition, the approval of standards does not need unanimous consent; rather, it requires a majority of two-thirds of the votes cast by the delegates who are present.

The combination of these two guidelines makes it feasible to generate majorities that differ depending on the questions that are being investigated. There are two aspects of the International Labor Organization's (ILO) activity relating to standards that need to be highlighted. To begin, the instruments of the International Labor Organization are not a haphazard collection of Conventions and Recommendations but rather a set of standards that encompass the majority of the areas of labor law. Second, the established procedure for the adoption of instruments allows for a significant reduction in the expenditure of resources thanks to the precise time-limits that are generally allotted for their adoption in the Standing Orders of the Conference. These time-limits are generally set at a period of two years.<sup>87</sup> Within the confines of this legal structure, the Conference has been extremely productive in establishing standards. As was said before, by the time its 89th Session came to a close in June 2001, it had already enacted 184 Conventions and 192 Recommendations, which collectively covered practically all aspects of labor law. Parallel to this, the International Labor Organization (ILO) has made it one of its primary goals to enhance the consistency and effectiveness of international labor standards at all times. 88 Additionally, the ILO has consistently, throughout its history, engaged in in-depth reflection on the various aspects of its actions related to standards.

The ILO standards themselves can be distinguished by two distinct qualities. To begin, they are global in scope since it is the Organization's goal to have them implemented

<sup>87</sup> Servais, J. M. (2022). International labour law. Kluwer Law International BV.

<sup>&</sup>lt;sup>88</sup> Pihlamägi, M. (2021). Protection of Children, Young People, and Women at Work in Estonia in the Context of Conventions of the International Labour Organization (ILO), 1919-1940. Acta Historica Tallinnensia, (27).

in each and every one of its member states. This makes them universal. On the other hand, and in contrast to the previous point, they have a degree of adaptability. In point of fact, the universality of standards comes at the expense of their adaptability. If standards are to be universal, and if they are to be applicable to states whose levels of development and approaches to law are very different from one another, the only practical approach is to develop standards that are sufficiently flexible so that they can be adapted to the most varied of countries. If standards are to be universal, then the only practical approach is to develop standards that are sufficiently flexible.<sup>89</sup>

This is a delicate balance that needs to be maintained, as it consists of not adopting standards that are either too high and, as a result, cannot be applied in the majority of member states, nor adopting standards that are either inadequate and, as a result, would only enshrine the lowest common denominator among those countries.

<sup>&</sup>lt;sup>89</sup> Benanav, A. (2019). The origins of informality: the ILO at the limit of the concept of unemployment. Journal of Global History, 14(1), 107-125.

## Chapter 2. Worldwide collective bargaining

### 2.1 Transnational Framework Agreement Dynamics

In recent years, specifically around the year 2000, the social partners have conducted agreements according to their own national rules. This is due to the various difficulties of interpretation that arise during the application of collective agreements at the level of the Community, as well as the evaluation of the context and of the legislation to which this pertains. A crisis of community agreements is developing, and it is being replaced by a form of negotiation that is carried out directly between the parties. This form of negotiation is known as autonomous and voluntary negotiation, and it allows for the achievement of freedom in the stipulation of such agreements.<sup>90</sup>

Within the final Communication of the European Communities the topic of economic-social change in Europe is discussed. The solution to this problem is to modernize the labor market and industrial relations, as well as to develop cross-industry and sectoral social dialogue. To be more specific, autonomous and voluntary collective bargaining might be positioned with reference to the Actions section, in the Social Partnership, in the first point on the execution of the agreements made by voluntary instruments. <sup>91</sup> The substantial absence of precise rules on the implementation of European collective agreements leads, as was previously mentioned, to the drafting of transnational agreements, which consequently leave ample room for the will of the parties, which in turn causes the Commission to establish the Social Agenda. This is because of the substantial lack of precise rules on the implementation of European collective agreements.

There are many examples of intersectoral agreements that can be viewed from this perspective, some of which include the following: the agreement of 28 February 2002 on the promotion of skills and continuous training; the agreement of 6 July 2002 on teleworking;

<sup>&</sup>lt;sup>90</sup> Keune, M., & Marginson, P. (2013). Transnational Industrial Relations as Multi-Level Governance: Interdependencies in E uropean Social Dialogue. British Journal of Industrial Relations, 51(3), 473-497.

<sup>&</sup>lt;sup>91</sup> Senden, L. A. (2005). Soft law, self-regulation and co-regulation in European law: Where do they meet?. Electronic Journal of Comparative Law, 9(1).

the agreement of 8 October 2004 on stress at work; the agreement of 26 April 2007 on harassment and violence at work; and one of the most recent is the agreement on the inclusive labor market of 25 March 2010.<sup>92</sup>

Thanks to the Commission Staff Working Document on the operation and potential of the sectoral social dialogue at European level, sectoral agreements have also had room for dedication despite the growth of cross-sectoral agreements. The sectoral committees have generated texts of various types and there are now 43 of them. There are as many as 65 corporate organisations and 16 trade union bodies represented on these committees. The Commission has categorized four different kinds of agreements in relation to their implementation: agreements in the strict sense, based on Article 155 of the Treaty on the Functioning of the European Union (TFEU), which require follow-up by the parties and need to be monitored procedural texts, opinions and tools aimed at promoting know-how in the Union, and finally guidance texts.

At the end of the Communication issued by the European Commission in 2004 on increasing the contribution of the European social dialogue, the same body proposed the establishment of a framework for the negotiation of European collective agreements, taking into consideration the practice carried out by multinational corporations. <sup>93</sup>

The framework that the Commission recommended was not confined to regulating transnational collective bargaining; rather, the Commission sought to encompass sectoral and international negotiation as well. This would have been a new aim specifically for transnational negotiation. This proposal was therefore outlined within the Social Agenda of the European Commission in 2005 in order to properly organize and structure the European social dialogue at all levels, including the international one. This was done in order to properly organize and structure the European social dialogue. Even if social partners are not required to utilize the framework, the proposal is predicated on the concept of an optional

<sup>&</sup>lt;sup>92</sup> Martín, N. R., & Visser, J. (2008). A more 'autonomous' European social dialogue: The implementation of the framework agreement on telework. International Journal of Comparative Labour Law and Industrial Relations, 24(4).

<sup>&</sup>lt;sup>93</sup> Degryse, C. (2004). European social dialogue: modest achievements in a climate of conflict. Social Developments in the European Union, 19-54.

framework as a result of the law that is available to social partners who choose to negotiate and execute the agreement themselves.

A concise historical overview of the transnational negotiating process, which started in 1960, is helpful in gaining an understanding of the evolution of the present European accords and the changes that are associated with them. The first one arises specifically from the emergence of voluntary transnational agreements inside multinational corporations and, above all, via efforts sponsored by the European Commission and providing robust legal underpinnings for the parties that sign them. The second reason is that the social regulation of activities in multinational companies appears to be better managed on a European scale rather than on a global scale. Since this is the case, it follows that the European economic, social, and legal area leads to a more appropriate development of transnational instruments for carrying out collective agreements, which also proves to be more efficient than what could be defined globally.

As a result, we find ourselves in the position of establishing a framework, concerning the efficiency of international collective bargaining as well as all of the impacts associated to it, which are also recognized with new language. Transnational collective bargaining, to establish the relative negotiating guidelines that might belong to such agreements, purely on a voluntary and autonomous basis. Since, at least on the level of the Community, this is governed by reference to international law, the juridical foundation of the transnational collective agreement is no longer to be deemed questionable. Rather, it is to be considered established.

The implementation of transnational collective bargaining should take place in a roundabout fashion by way of its transfer into employer measures. This should have the effect of binding the powers of the employer, which are always controlled on an unclear legal foundation.<sup>94</sup> The European Works Councils (EWCs) have the ability to make a legislative request, which can lead to the discovery of a solution to the problem of putting

<sup>&</sup>lt;sup>94</sup> Da Costa, I., & Rehfeldt, U. (2008). Transnational collective bargaining at company level: Historical developments. Cross-Border Social Dialogue and Agreements: An emerging global industrial relations framework, 43-64.

into effect these autonomous and voluntary agreements. Legal transactions are taken into consideration, i.e. those that belong to the category of contracts of international private law regarding the effectiveness and effects, if these can be directly attributed to a source of Community law or if they are directly applicable to all subjects of the European Union. In other words, international private law contracts are taken into consideration.<sup>95</sup>

Due to the absence of a specific discipline pertaining to international collective bargaining, the transnational context introduces a great deal of complexity into the process of analyzing and researching the various agreements that are crafted. These challenges can be particularly challenging to overcome. Even though it is extremely difficult to find a precise definition of this term in doctrine, due to the vagueness within the agreements of the parties, of the contents, and of the reference area, the International framework agreements have been identified as the useful tools for the development of transnational collective bargaining. This is the case despite the fact that the international framework agreements have been identified as the useful tools for the development of transnational collective bargaining.<sup>96</sup>

Due to the ambiguity surrounding the level of interpretation of the agreements as well as the various components, the IFAs need to be evaluated on an individual basis for each specific instance to which they refer. The most difficult aspect of this process is precisely adapting the transnational agreements to the national legislation that is present in each country. Concerning the initial point, collective bargaining is safeguarded as an instrument for putting into effect agreements between the parties that are reached voluntarily and independently. The second clarification, which is slightly more complicated than the first, examines voluntary and autonomous agreements as not being definable by collective bargaining. This has the consequence of not being able to bind the parties at a national level

<sup>&</sup>lt;sup>95</sup> Lecher, W., Platzer, H. W., & Weiner, K. P. (2018). European Works Councils: development, types and networking. Routledge.

<sup>&</sup>lt;sup>96</sup> Hammer, N. (2005). International Framework Agreements: global industrial relations between rights and bargaining. Transfer: European Review of Labour and Research, 11(4), 511-530.

due to the incompatibility of the ILO Recommendation, which is the means through which binding collective agreements are defined for the signatory parties.<sup>97</sup>

Despite the fact that IFAs are not deemed to be collective agreements under national labor law due to the fact that they are not a recognized legal category, this does not mean that they do not have any significance from a legal standpoint. One of the first ways to provide IFAs legal implications is to surely include them in other forms that are legally significant. One such form would be to include them in contracts that are made with subcontractors as an example.<sup>98</sup>

In the event that this course of action was taken, the international framework agreements would be granted the same legal force as a national collective labor agreement. Furthermore, the courts could recognize the legal effects of an IFAs when this is not included in a social obligation, by evaluating the timing of application of the agreement which took place according to the will of the social partners; however, this would still remain of a nature that is somewhat questionable. In an ideal scenario, a legal framework for international collective bargaining at the group level would be developed, one that would permit the utilization of all of the dynamics offered by the IFAs. It is necessary, when analyzing and outlining the globalized context in which multinational companies operate and are the protagonists, to identify the nature and role of transnational collective bargaining, as well as the dynamics that are taking place most prominently in Europe. This is because the context in which multinational companies operate and are the protagonists has become increasingly globalized.

In this regard, there are two aspects that should be brought up: the first is related to the distinctive European features of the agreements, and the second is related to the characteristics of the industry that is being considered. In regard to the first component, a

<sup>&</sup>lt;sup>97</sup> Glassner, V., Keune, M., & Marginson, P. (2011). Collective bargaining in a time of crisis: developments in the private sector in Europe. Transfer: European Review of Labour and Research, 17(3), 303-322.

<sup>&</sup>lt;sup>98</sup> Schömann, I., Jagodzinski, R., Boni, G., Clauwaert, S., Glassner, V., & Jaspers, T. (2012). Transnational collective bargaining at company level. A new component of European industrial relations.

significant portion of the investigation is devoted to the examination of the many entities that are engaged in the process of negotiating international agreements, particularly employers and trade unions.

Daugareilh, in his contribution on international agreements and corporate social responsibility, identifies some factors that a company prepares for transnational social dialogue. Among the most relevant of these factors are the corporate culture, the quality and the level of social dialogue within the company, the status of the group in its own country, the personality of the company manager and his ability to prepare suitable programs in the international arena. In addition to these factors, there are also other considerations that a company takes into account before engaging in transnational social dialogue.<sup>99</sup>

It is impossible to leave the substance of transnational agreements up to chance and the unbridled will of the parties; instead, parties must make reference to the principles established by the ILO. The International Labor Organization, or ILO for short, released a guide titled the Tripartite Declaration of Principles on Multinational Enterprises and Social Policy. This document details the most common issues that arise when it comes to the protection of workers' rights in the context of multinational corporations. The purpose of the tripartite declaration is to provide direction to multinational corporations on a variety of issues, including employment, working conditions, and relationships with other subjects. On the other hand, the declaration establishes the standards for social responsibility, freedom of trade unions, and collective bargaining. Given the diversity of the world's nations, it is essential for the International Labor Organization (ILO) to monitor the activities of the various trade union groups, as this is one of the ILO's primary responsibilities as stated in the Declaration on Multinational Enterprises (MNE). 100

In point of fact, the vast majority of the references to the contents continue to be ambiguous due to the fact that the shape that the contents of each agreement might take in

<sup>&</sup>lt;sup>99</sup> Sobczak, A. (2007). Legal dimensions of international framework agreements in the field of corporate social responsibility. Relations industrielles/Industrial relations, 62(3), 466-491.

<sup>&</sup>lt;sup>100</sup> Alston, P., & Heenan, J. (2003). Shrinking the international labor code: an unintended consequence of the 1998 ILO declaration on fundamental principles and rights at work. NYUJ Int'l. L. & Pol., 36, 221.

each different state is a matter of subjectivity. The second factor, which relates to the characteristics of individual sectors, reveals a predisposition to negotiate transnational agreements that is even more diverse and variable from one sector to the next. In any case, sectoral differences need to be examined in the light of both the specific economic dynamics of each sector, such as for example on production, the degree of internationalization of the company, or even on the growth rate of the same, and the social dynamics, such as for example the power held by social partners such as the employer and the trade union. Both of these factors are important to consider when analyzing sectoral differences. When this power, in respect to the national and international connection, is low, weak, or even non-existent, establishing and guaranteeing transnational collective bargaining becomes very difficult to do.

The findings of this investigation allow for the inference of three overarching conclusions, all of which pertain specifically to multinational corporations. First and foremost, the dynamic nature of the framework agreements, which requires in particular a comprehension of the significance of the practice as well as a desire in participating in it on the part of the economic and social actors. The second issue is the proliferation of texts together with the associated contents, forms, and kinds, which drives the necessity for the subjects to acquire proper instruments and methods in order to be able to generate visible legal consequences. In conclusion, the transnational framework agreements that represent different forms of corporate governance exhibit a customized content and lead to the concept of a potential European model.<sup>101</sup>

Developing a robust social dialogue, strengthening the company structure, preparing a channel of broader and more efficient communication, and resolving potential difficulties through a common warning system are the founding reasons that led trade unions and employers, and therefore international companies, to take note of the new transnational negotiation. These reasons can be identified primarily from four different points of view. When we examine the two topics separately, however, we can notice that there are two

<sup>101</sup> Ebisui, M. (2012). Non-standard workers: Good practices of social dialogue and collective bargaining. E-Journal of International and Comparative Labour Studies.

distinct motivations at play here: on the side of companies, there is an increase in competitiveness followed by an improvement in risk management and the development of coherent frameworks for corporate social responsibility, while on the side of trade unions, these are recognized as parties entitled to operate in the agreements, and they are then required to regulate and determine labor standards, as well as implement strategies related to the relationship between the company and its employees.

# 2.2 International Framework Agreements in industrial relations recommendation

Increasing and establishing strong industrial relations has to be regarded as the most cherished and sought-after objective for businesses, and especially for international corporations. This goal, however, is not as straightforward and immediate as it may seem due, in large part, to an asymmetry brought about by globalization. This asymmetry is rooted in the fact that, while on the one hand we observe the actions of multinational corporations that are becoming increasingly global and open to new tools, including transnational bargaining, on the other hand we remain stuck at a national and traditional level and, furthermore, there is a great deal of variation from nation to nation in terms of the terms of employment and conditions<sup>102</sup>

According to the World Commission on the Social Dimension of Globalization (WCSDG) of 2004, there is currently no balanced multilateral framework for investments. This is because there is a risk that states, driven by the creation of an ever greater competitive advantage deriving from the investments themselves, will reduce the overall benefits too much to offer concessions. As a result, there is currently no multilateral framework for investments.<sup>103</sup>

The international framework agreements are a reaction to globalization and constitute an innovation primarily in the field of industrial relations, as well as in collective bargaining and international labor law. In addition, the field of industrial relations has benefited from the innovation. Due to their significant influence in the negotiation processes, the contents, and the implementation of traditional collective bargaining, their development has sparked a great deal of enthusiasm in the field of doctrine. This is partly because of the

the Social Dimension of Globalization (Vol. 92). International Labour Organization.

Hammer, N. (2005). International Framework Agreements: global industrial relations between rights and bargaining. Transfer: European Review of Labour and Research, 11(4), 511-530.
 World Commission on the Social Dimension of Globalization. (2004). A Fair Globalization: The Role of the ILO: Report of the Director-General on the World Commission on

surplus that has been created in the field of corporate social responsibility. By contrasting the IFAs with the entirety of the section referring to collective bargaining and the related relations and agreements from the perspective of the ILO instruments, with Recommendation no. 91 we question the question of whether to analyze both instruments referring to industrial relations in relation to collective agreements, and more importantly, what is their contribution regarding transnational collective agreements and relationships.

Collective agreements are defined as all written agreements concerning working conditions and terms of employment that are concluded between a worker or one or more trade union organizations and an employer or one or more employers' organization in paragraph 2(1) of Recommendation No. 91. This definition applies to all collective agreements. At first glance, it may appear as though the IFAs are sufficient to fulfill the requirements of the collective agreement. This is due to the fact that the IFAs are reflective of the definition of agreements that are jointly negotiated and concluded in written form between the social partners, with the requirement to sign. Typically, the signing parties to a transnational collective agreement include multinational corporations as well as worldwide trade union federations; in reality, this appears to conform to the definition that is given by Recommendation n.91. 106

On the other side, there remain unanswered doubts regarding the parties' ability to represent their constituents. The Recommendation makes reference to organizations that are representative of workers. A further instrument of the ILO, in this regard, is indicated in Paragraph 6 indicating the promotion of collective bargaining, in which the collective bargaining parties should provide their respective negotiators with the necessary mandate to conclude the act, subject, of course, to the provisions for consultation with trade union

<sup>104</sup> Riisgaard, L. (2005). International framework agreements: A new model for securing workers rights?. Industrial relations: A journal of Economy and Society, 44(4), 707-737.

<sup>&</sup>lt;sup>105</sup> Obiora, S. F. (2022). Collective Bargaining Trends in Nigeria-Living up to the International Labour Organisation (ILO) Standards?. Cambridge L. Rev., 7, 121.

<sup>&</sup>lt;sup>106</sup> Eduardo Gunther, L. U. I. Z., Villatore, C., & Antônio, M. (2018). Globalization, Economic Crisis And Collective Bargaining In International Labor Law. Revista Jurídica (0103-3506), 2(51).

organizations. The Recommendation also makes reference to organizations that are representative of workers. 107

In light of the foregoing, it is possible to draw attention to the disparity in the ways in which the various social parties are represented in Recommendation n.91 and the IFAs. As a result of the fact that the IFAs primarily cover the trade union correspondents of the multinational corporation and its subsidiaries, there is a limited amount of internal engagement from the point of view of both the employees and the employers. On the side of the trade unions, the situation is exactly the same. The global trade union federations are being asked to sign the agreement; however, the Recommendation would presume the signing of the agreement by all other trade unions, including those at the national and local levels. This is not possible due to the fact that transnational agreements typically do not take into consideration the opinions of national trade unions, at least not formally.<sup>108</sup>

The fundamental principles and workers' rights, such as free association, collective bargaining, non-discrimination, and the abolition of forced labor are normally characterized as the content of IFAs. On the other hand, more generally, it refers to other working conditions such as job security, mobility, retirement, subcontracting, and corporate restructuring. The content of IFAs is normally characterized by two macro-categories of standards identified as follows: on the one hand, the fundamental principles and workers' rights, The IFAs confine themselves to establishing the general context in which industrial management and trade unions may effectively carry out their job. Unlike conventional bargaining, they do not address problems on specific conditions and terms of employment.

When it comes to the implementation of the IFAs, the principle of subsidiarity can be considered to be relevant because it is used to regulate the competences of the European Union in areas where it does not have exclusive competences. These areas are left up to the Member States, but the EU is obligated to protect such decisions and actions. The management of multinational companies is impacted by the concept of subsidiarity, which

<sup>&</sup>lt;sup>107</sup> Gernigon, B., Odero, A., & Guido, H. (2000). ILO principles concerning collective bargaining. Int'l Lab. Rev., 139, 33.

Recommendation R091 - Collective Agreements Recommendation, 1951 (No. 91) (ilo.org)

stipulates that the monitoring and execution of the agreement is the responsibility of the subsidiaries, without limiting their authority in the case of a breach of the IFAs' norms.

Article 5, paragraph 3 of the Treaty on European Union and Protocol No. 2 on the application of the principles of subsidiarity and proportionality provide the legal basis for the principle of subsidiarity. The principle of subsidiarity is relevant in order to guarantee a wide freedom and independence to subordinate authorities, such as local ones for example, in matters where they may be able to better achieve the objectives instead of the European Union. Subsidiarity, in addition to affecting the effective implementation of the IFAs by the branches of the multinational, also behaves in the same way in the context of trade unions. In this context, the implementation of the agreements would not fall on the global trade union federations, but rather on the sector and company unions. Subsidiarity has both positive and negative effects on the effective implementation of IFAs.<sup>109</sup>

It is necessary to follow the implementation of the IFAs and essential resources for the local management. Taking into account the heavy dependence on the implementation mechanisms, the EWCs are considered suitable for the time being as the local party able to carry out the monitoring and follow-up of the IFAs. This is because it is necessary to monitor and follow the implementation of the IFAs.

As was mentioned earlier, international framework agreements, due to the fact that they are voluntary and independent agreements, cannot be represented as legally binding instruments at the national level, or more simply, they cannot be brought before a judge due to their absence or incorrect implementation. This is because international framework agreements are of the nature of voluntary and autonomous agreements. despite this, there is no reason to believe that the IFAs cannot be carried out correctly and in good faith by the parties involved.

To paraphrase Convention 154 on Collective Bargaining: "Good faith cannot be imposed by law; rather, it can only be attained as the consequence of voluntary and persistent efforts made by the parties concerned." Good faith cannot be enforced by law. According to

<sup>&</sup>lt;sup>109</sup> Hammer, N. (2005). International Framework Agreements: global industrial relations between rights and bargaining. Transfer: European Review of Labour and Research, 11(4), 511-530.

the doctrine, the IFAs do not constitute an instrument that should be identified with the same consequences and limits that are assumed by the collective agreement. The problem of diffusion throughout the organization is another point of contention between IFAs and more traditional forms of collective bargaining. According to recommendation number 91, paragraph 8, employers that are bound by collective agreements should establish procedures and ways to inform workers in a thorough manner about what is given within the agreement itself. This step is completely off limits for IFAs, which, although not having widespread use just yet, are typically publicized on the websites of their respective firms. However, there are still very few transnational agreements that have been translated into multiple languages in order to reach all of the countries in which the subsidiaries are present. And if this is already a difficult task for the branches, just imagine how much more difficult it is for third parties in areas where there are fewer industrial relations. After all, the ability to assess the breadth of the agreement, the efficiency of the agreement, and the good faith of the parties depends on one's ability to diffuse pertinent information.

<sup>&</sup>lt;sup>110</sup> Gernigon, B., Odero, A., & Guido, H. (2000). ILO principles concerning collective bargaining. Int'l Lab. Rev., 139, 33.

# 2.3 Corporate social responsibility and International Framework Agreements

Since the 2000s, the number of transnational framework agreements has significantly increased, particularly in the field of corporate social responsibility. These agreements have been reached between a variety of multinational corporations, with a greater emphasis placed on those based in Europe, and the international trade union federations.

According to this point of view, the regulation of the IFAs is intended to define rules for the workers, branches, and third parties of the company (for example, subcontractors), and it is guaranteed by two primary and connected elements: on the one hand, we note the companies that intend to increase their legitimacy and the credibility of their objectives and strategies in the field of social responsibility; on the other hand, there are the trade unions that recognize the strategies of the companies.

The International framework agreements are distinct from the internationally utilized codes of conduct due to the limitation of the powers of the parties, for a limited and not always concrete content in relation to the ILO directives; instead, they focus on issues that have a significant impact on the media such as child labor. In point of fact, the IFAs appear to be the most appropriate form of social control when compared to the other instruments of CSR. This is because they assure higher efficacy in the execution of the agreements than the other instruments do. In addition to this, the contents are more comprehensive, including measures on the monitoring and execution of discussions in line with the European social dialogue.

Because, as was explained in sufficient detail above, they are stipulated by the parties as voluntary and independent agreements, one cannot assert that these regulatory tools are flawless. This is due to the fact that the legal categories of local and global labor law are in direct contrast with one another. On the other hand, the lack of a clearly defined statutory framework does not always suggest that such agreements are not legitimate and cannot be implemented. As a result of this, we will continue below with an analysis of the legislative structure of the IFAs from the point of view of the signed social partners as well as the

transnational organizations that would like to concretely apply these texts for transnational collective bargaining.

### 2.4 Minimum requirements in framework contracts

The legal nature of a standard that is included in the agreements is dependent on the rights that are bestowed on the parties that sign it and sign the provision. This is necessary in order to apply the standard and make it taxable on other parties. The issue occurs when there is no explicit legislation regarding international collective bargaining; as a result, the actors that seek to implement the IFAs are forced to come up with new solutions. Starting with the employers, since they are the ones who sign international contracts, it is possible to classify them as the primary power behind the multinational corporation. On the other hand, this creates a problem for the subsidiaries due to the fact that they have a distinct legal personality that is not said to be in line with that of the parent company.

As a direct consequence of this, it is not feasible to conduct an assessment of the employer in the same manner both at the headquarters and in the subsidiaries. If we are dealing with third parties, who do not even have the parent firm that negotiates on their behalf, then this discussion is much more pertinent. The solution to successfully conclude transnational agreements, therefore, is to obtain a mandate that is capable of guaranteeing binding negotiations containing the IFAs, standards that are also applicable to branches. The explicit mandate would be essential in order to clarify the legal value of the same. At the end of the day, it was decided that the decision about who would sign documents on behalf of employers rests, not only with the executive body of the firm, but also with the chief executive officer of the holding company, reaching into each and every industry.

On the side of the employees, this situation is made even more difficult by the nature of the powers that they have inside the company. It is inconceivable that the workers' representatives would sign the IFAs on behalf of all of the workers of all of the subsidiaries and third parties since doing so would unquestionably have a detrimental effect on the legal personality of the branches and other players.

Numerous solutions have been implemented by the social partners in an effort to fill these gaps in the law. These solutions involve numerous actors, all of whom have committed to signing the agreements, including the international trade union federations, the European

works councils, the national trade union organizations, and in many cases, both parties have signed the document jointly.

In more specific terms, an IFA that has been signed by international trade union federations, who are often always present at the sector level, restricts disputes on the legal identity of subsidiaries and third parties, so preventing conflicts between the various national legislations. It is therefore possible to assert that international trade union federations are consistent with the goal of creating transnational collective agreements, even if there is no regulation that governs their negotiation. This is the case to such an extent that national trade unions may oppose the same conferment of power because they see exclusively local trade union organizations as possible actors in the negotiation process.<sup>111</sup>

As far as transnational agreements are concerned, which are co-signed by EWCs and international trade union federations, they are very widespread and do not create asymmetries in the different levels of representation due to their perception that the Works Council is the legitimate party to sign the agreement, obviously of the company based in the European Union. This is because the perception is that the Works Council is the legitimate party to sign the agreement, and the perception is based on the fact that the Works Council is the legitimate party to sign the agreement In addition to this, the strategy takes into account the issues that are special to each company and, more specifically, the dynamics that are connected to the industrial interactions that exist between the social partners. Is

Nevertheless, there are challenges involved whenever the EWCs sign a collective agreement on an international level. The EU regulation has given the EWCs exclusive rights of information and consultation of the agreements; nevertheless, the national legislation does

<sup>&</sup>lt;sup>111</sup> Wills, J. (2002). Bargaining for the space to organize in the global economy: a review of the Accor-IUF trade union rights agreement. Review of International Political Economy, 9(4), 675-700.

<sup>&</sup>lt;sup>112</sup> Pulignano, V. (2005). EWCs' cross-national employee representative coordination: a case of trade union cooperation?. Economic and Industrial Democracy, 26(3), 383-412.

<sup>&</sup>lt;sup>113</sup> Telljohann, V., Costa, I. D., Müller, T., Rehfeldt, U., & Zimmer, R. (2009). European and international framework agreements: New tools of transnational industrial relations. Transfer: European Review of Labour and Research, 15(3-4), 505-525.

not specify that the members of the works councils are union representatives. This presents a first challenge from a legal standpoint.<sup>114</sup>

An additional issue may be found in the inadequate representation of employees working in worldwide branches; as a result, the scope of application of EWCs would no longer be adequate because it would extend beyond the borders of Europe. If we analyze the IFAs that were signed by national trade union organizations, we find that when a national trade union signs a transnational collective agreement, it modifies the national collective agreement of the place where the parent company is based, provided that applicable national legislation is complied with. This is something that we find when we look at the IFAs that were signed by national trade union organizations.

However, due to the vast differences in the legal systems of different nations, it is extremely improbable that such an agreement will be recognized as a collective agreement in those countries. An interesting and innovative approach in the application of international collective bargaining with local negotiation considers the implementation through social dialogue by bringing together, with the aim of a debate on the subject, the national trade union representatives of all of the countries where the parent company has the offices. This brings together the national trade union representatives of all of the countries where the parent company has the offices.

Because the framework agreements outline the essential social rights that are relevant to the whole multinational corporation and inspire decentralized bargaining, this strategy is reflective of the notion of subsidiarity. As has been extensively discussed, we are currently living in an era in which globalization forms the foundation of industrial relations on the market. Given this reality, it is essential, at this juncture, to gain an understanding of how IFAs influence this environment by exercising a new kind of social responsibility.<sup>115</sup>

Sciarra, S. (2009). Transnational and European ways forward for collective bargaining. WP CSDLE "Massimo D'Antona" INT-73/2009 Disponible en: http://ec. europa. eu/education/jean-monnet/doc/future/sciarra\_en. pdf [Acceso 10 agosto 2013].

Weiss, M. (2013). International labour standards: A complex public-private policy mix. International Journal of Comparative Labour Law and Industrial Relations, 29(1).

Because of the responsibility that the headquarters has toward the subsidiary workers and because of the social norms that are included in the IFAs, international collective agreements typically do not increase the rights of workers who are employed by the parent company on a national level. Instead, these types of agreements are more relevant for workers who are employed by the subsidiary.

The collective agreement will obviously apply to the companies that join the group after this has been signed, but the application to those existing in the moment preceding the signing remains doubtful and most importantly to the companies that abandon the multinational. This is taking into account that the field of application of the IFA varies from country to country because, as we have already seen, a precise definition of transnational bargaining is not present in doctrine.

The content of the IFA is significantly more precise when compared to the content of national codes of conduct. This is due to the fact that the IFA routinely includes the four fundamental labor rights, which are the prohibition of forced labor, the prohibition of child labor, the prohibition of discrimination, and the recognition of freedom of association. Furthermore, in almost all instances, the IFAs make reference to the Conventions of the International Workers' Organization in order to define social standards. This constitutes a step forward in the process because it mandates that the parent company, in addition to applying the rules to its own employees, must also apply the rules to the workers of its subsidiaries. In addition, the Conventions impose obligations on the States that have signed them. This is an advancement in the process. 116

Still comparing the IFAs and the national codes of conduct, it can be seen that the IFAs are more precise in terms of the effectiveness of application throughout the entire multinational. On the other hand, the national codes of conduct denote a difficulty in implementation, particularly in states that have difficulties in transposing the agreement. It would be a significant step forward if it were possible to involve national trade union organizations in the process of disseminating and monitoring the IFAs. This would enable

<sup>&</sup>lt;sup>116</sup> Sobczak, A. (2007). Legal dimensions of international framework agreements in the field of corporate social responsibility. Relations industrielles/Industrial relations, 62(3), 466-491.

workers to be made more aware of the potential effects that transnational collective bargaining could have on their working conditions.

## Chapter 3. The case of Chiquita framework agreement

### 3.1 Chiquita framework agreement: background

Two trade union organizations represented the workers in the international framework agreement. The first of these is the Coordinating Committee of the Latin American Banana and Agricultural Workers Unions (COLSIBA). COLSIBA is the regional organization whose purpose is to coordinate the unions of banana plantation workers in Latin America. Today, thirteen labor unions represent seventy-five thousand workers as members of the organization. The bulk of these labor unions are also IUF members. 117

COLSIBA was founded as a result of the 1993 implementation of the new system by the European Union, which cut the customs duty on banana imports from African, Caribbean, and Pacific nations. This system, which was based on the Lome Agreement, which governed the commercial interactions between European Union countries and African, Caribbean, and Pacific countries at the time, caused Latin American countries to lose their competitive advantage in banana exports to Europe. In this way, while multinational banana producers in Latin American countries are attempting to cut labor costs, COLSIBA was founded to prevent a race to the bottom in terms of working conditions produced by the new system.

In actuality, the end of the cold war also assisted the formation of the organization. As a result of the conclusion of the cold war, the detrimental impacts of the ideological rift within the labor movement have diminished. In contrast to the previous era, labor unions were able to work by setting aside their ideological disagreements. This predicament has been exacerbated by the rapid growth of information and communication technology. Few corporations in Latin America, such as Chiquita, Dole, and Del Monte, or workers employed

<sup>&</sup>lt;sup>117</sup> Riisgaard, L. (2004). The IUF/COLSIBA-CHIQUITA framework agreement: A case study. International Labour Organization. Multinational Enterprises Programme Working Paper No. 94. International Labour Office, Geneva

<sup>118</sup> Ibid

<sup>&</sup>lt;sup>119</sup> Brooks, T. J. (2007). Negotiating the Chiquita-COLSIBA International Framework Agreement: An unlikely happening. Available at SSRN 3017935.

by subcontractors in their worldwide value chains were uninformed of the presence of their equivalents in other nations prior to the establishment of COLSIBA.<sup>120</sup>

In 2002, the secretary general of COLSIBA remarked that prior to the establishment of the organization, workers were unaware of their Latin American counterparts and international corporations. Aside from the employees, the leaders of the trade unions had never met or even met prior to the establishment of the organization. In May 1993, union leaders gathered for the first time to form COLSIBA. The leaders of the labor unions organized in the banana plantations of Costa Rica, Honduras, Guatemala, Nicaragua, Panama, and Colombia attended the summit in the Costa Rican capital, San Hose.

The foundation of COLSIBA is also important to women workers and trade unionists operating in the banana fields of Latin America. The group enabled women workers to have regional meetings and develop a network of support. Women trade unionists, on the other hand, contacted worldwide women's organizations to educate and raise awareness of women workers. It obtained subsidies for the trainings planned to be delivered to women workers in the region.<sup>123</sup>

IUF is the other international group that represents workers in the pact. The IUF, created in 1920 and located in Geneva, Switzerland, is the global trade union organization that signed the first international framework agreement. The group represents workers' unions in the agricultural sector, hotels, restaurants, food and beverage preparation, and all phases of tobacco processing. Today, 423 labor unions from 127 countries are members of the organization, and it is reported that the group represents about 10 million workers. 6 months after it was included in the international framework agreement negotiation between

<sup>&</sup>lt;sup>120</sup> Frundt, H. J. (2007). Organizing in the Banana Sector'. Global Unions: Challenging Transnational Capital Through Cross-border Campaigns, (13), 99.

<sup>&</sup>lt;sup>121</sup> Frank, D. (2018). The long Honduran night: resistance, terror, and the United States in the aftermath of the coup. Haymarket Books.

<sup>&</sup>lt;sup>122</sup> Brooks, T. J. (2007). Negotiating the Chiquita-COLSIBA International Framework Agreement: An unlikely happening. Available at SSRN 3017935.

<sup>123</sup> Ibid

COLSIBA and Chiquita, the IUF ensured the deal's conclusion.<sup>124</sup> It was instrumental in establishing the International Domestic Workers Federation.<sup>125</sup>

The organization has also staged demonstrations against multinational corporations that deny workers their fundamental rights on the job. The most notable of these is the 1980s demonstration he organized against the Coca-Cola company. The basis for this protest was that the managers of the subcontractor in Guatemala, which is part of the enterprise's worldwide value chain, blocked the factory's labor union from carrying out its duties. Due to this protest demonstration, a negative public reaction was developed against the Coca Cola firm, and as a result, the enterprise was forced to purchase the subcontractor's plant and permit the labor union's activities there.

The International Union of Food workers (IUF) launched a new strike four years later in response to a labor dispute between workers and business managers at the same firm. <sup>126</sup> This protest rally was witnessed by a larger number of people than the one before it. For instance, as a result of the protest, wait staff in the Philippines and cashiers in Sweden refused to serve Coca-Cola goods to customers. After another three months had passed, the Coca-Cola company was forced to reach an agreement with the IUF and give in to the demands of the employees. <sup>127</sup>

The Chiquita company is the party responsible for the employer side of the international framework agreement. Chiquita is a multinational company that specializes in the production and export of fruit. The results of research that was carried out in the year 1998 demonstrated that the Chiquita company has been, for a significant amount of time, the largest banana exporting multinational in the world. 128 It was said that the company

<sup>&</sup>lt;sup>124</sup> Riisgaard, L. (2004). The IUF/COLSIBA-CHIQUITA framework agreement: A case study. International Labour Organization. Multinational Enterprises Programme Working Paper No. 94. International Labour Office, Geneva

<sup>125</sup> Ibid

<sup>&</sup>lt;sup>126</sup> Gallin, D. (2008). International framework agreements: A reassessment. Cross-border social dialogue and agreements: an emerging global industrial relations framework, 15-41.

<sup>&</sup>lt;sup>127</sup> Barlow, J., & Møller, C. (2008). A complaint is a gift: recovering customer loyalty when things go wrong. Berrett-Koehler Publishers.

<sup>&</sup>lt;sup>128</sup> Sobczak, A. (2007). Legal dimensions of international framework agreements in the field of corporate social responsibility. Relations industrielles, 62(3), 466-491.

dominated 34% of the global banana market and 30% of the European banana market in 1992, nine years before the conclusion of an international framework agreement. Based on the findings of the study, it was established that the company had 35,000 employees in the year 1997. There were 30,000 of these employees employed across the countries of Central and South America.

It has come as a surprise to a number of researchers that a global framework agreement has been made between the Chiquita corporation and other countries. This is due to the fact that the company has a history of repeatedly violating the rights of individuals. In point of fact, studies carried out in 2007 provided conclusive evidence that, in addition to committing breaches of human rights, the company was also complicit, throughout the 1950s, in the military overthrow of democratically elected presidents in Guatemala.

According to the findings of the survey, the company controls the majority of the governments in Latin America and owns the majority of the plantations and railroads in the region. Additionally, the governments in the region cater to the company's needs. In 1998, allegations surfaced suggesting that the company provided financial support to deadly paramilitary organizations in Colombia. In the past, the European Union has also begun an investigation and legal action against the Chiquita corporation on the grounds that it is operating in a monopolistic manner. In this light, the Chiquita business empire has been linked to atrocities committed against people's rights and violent overthrows of governments in Latin American countries.<sup>131</sup>

In the 1990s, the production of bananas and their export around the world were monopolized by three different international corporations. It was found in 1995 that these multinational corporations control around 62% of the global banana market. This scenario began to change with the implementation of the system that was based on the Lomé

<sup>&</sup>lt;sup>129</sup> Taylor, T. (2003). Evolution of the banana multinationals. In Banana wars: the anatomy of a trade dispute (pp. 67-95). Wallingford UK: CABI Publishing.

<sup>&</sup>lt;sup>130</sup> Van de Kasteele, A. (1998). The banana chain: the macroeconomics of the banana trade. A. van de Kasteele on behalf of IUF, Amsterdam.

<sup>&</sup>lt;sup>131</sup> Brooks, T. J. (2007). Negotiating the Chiquita-COLSIBA International Framework Agreement: An unlikely happening. Available at SSRN 3017935.

Convention and was put into force by the European Union in 1993. When compared to its share in 1992, the percentage of the European banana market that Chiquita's firm held in 1995 was 19%, reflecting an 11% decline. When compared to 1992, the company's share of the global banana market fell by 9% in the same year, bringing it down to 25% of the whole market. 132

In light of this, the proportion of the global banana export that is controlled by multinational corporations based in Latin America, most notably the Chiquita firm, has been reduced. In order to find a solution to this issue, multinational corporations have begun to relocate certain stages of their production to countries and regions of the world in which the cost of labor is significantly lower. For instance, the manufacturing processes of the Dole and Del Monte enterprises have been relocated to countries in Africa, the Caribbean, and the Pacific. 133 On the other hand, the Chiquita firm utilized a strategy that was distinct from those utilized by other international businesses and actively fought for the elimination of the system that was put into effect in the European Union. At the meetings of the World Trade Organization, several countries in Latin America and the United States of America demanded the elimination of the new system in place in the European Union in response to the Chiquita business. Chiquita is a multinational company that produces and distributes fruit and vegetables. As a consequence of this, despite reforming the new system, the European Union has maintained to grant preferential treatment to nations in Africa, the Caribbean, and the Pacific regarding banana imports. As a result, the Chiquita enterprise's efforts have not been recognized for their efforts. The proportion of the company's total global banana export that was shipped out continued to fall, and the company was in jeopardy of going bankrupt as late as the year 2001. 134

 $<sup>^{132}</sup>$  Myers, G. (2004). Banana wars: the price of free trade: a Caribbean perspective. Zed Books.

<sup>&</sup>lt;sup>133</sup> Dodo, M. K. (2014). Multinational companies in global banana trade policies. Journal of Food Processing and Technology, 5(1), 10-4172.

<sup>&</sup>lt;sup>134</sup> Riisgaard, L. (2004). The IUF/COLSIBA-CHIQUITA framework agreement: A case study. International Labour Organization. Multinational Enterprises Programme Working Paper No. 94. International Labour Office, Geneva

However, beginning in the middle of the 1990s, Chiquita's business has placed a greater emphasis on the importance of corporate social responsibility in an effort to once again expand its share of world banana exports. In 1995, the company was awarded a certificate attesting to the fact that the conditions in the banana plantations where it operates are kind to the environment. In the year 2000, it made the decision to accept the principles of implementation and began publishing yearly reports on the practices of corporate social responsibility.<sup>135</sup>

In this regard, the corporation endeavored, via the implementation of various corporate social responsibility measures, to cultivate a favorable reputation in the eyes of the general public. It even altered its emblem in an attempt to make people forget its troubled history, which was rife with breaches of human rights and military coups. <sup>136</sup> The objective of Chiquita was to demonstrate its social and environmental responsibility to the international retailers that purchase its bananas. Aside from that, he anticipated that his sales to global retail corporations, particularly in Europe, would decline even further. In 1999, for instance, Chiquita officials developed a list of multinational European retailers that examined the company's farms and made recommendations for corporate social responsibility standards. It was concluded that the corporate social responsibility requirements of the retailers on the list could not be met. Consequently, he stated that sales to the listed retailers are in jeopardy. <sup>137</sup>

In this perspective, it is crucial to examine the international framework agreement in relation to Chiquita. The corporation signed the worldwide framework agreement as part of the corporate social responsibility measures it adopted in an effort to increase its market share, which began to erode in the mid-1990s. Chiquita firm, on the other hand, has not

<sup>&</sup>lt;sup>135</sup> Riisgaard, L., & Hammer, N. (2011). Prospects for labour in global value chains: Labour standards in the cut flower and banana industries. British Journal of Industrial Relations, 49(1), 168-190.

<sup>136</sup> Ibid

<sup>&</sup>lt;sup>137</sup> Schotter, A., & Teagarden, M. (2010). Blood Bananas: Chiquita in Colombia. Arizona: Thunderbird School of Global Management.

<sup>&</sup>lt;sup>138</sup> Riisgaard, L. (2004). The IUF/COLSIBA-CHIQUITA framework agreement: A case study. International Labour Organization. Multinational Enterprises Programme Working Paper No. 94. International Labour Office, Geneva

signed the international framework agreement solely to enhance its market share. The escalating public response to the horrible working and living conditions of Chiquita workers and its subcontractors in the global value chain compelled the company to enter into an international framework agreement.<sup>139</sup>

Workers have been deprived of job and income stability since the 1980s due to neoliberal economic policies and the globalization trend. This arrangement also represents the interaction between agriculture industry employees and their employers. Even in affluent nations such as the United States, farm workers earn low incomes and suffer from health issues caused by pharmaceutical medications. However, they are not eligible for social security benefits. The consequence of workers attempting to organize to improve their working and living situations might be lethal. For instance, it has been estimated that roughly 2,000 union representatives were murdered in Colombia between 1990 and 2007.

In fact, the majority of agricultural production is outsourced to subcontractors in the global value chains of multinational corporations. These subcontractors have subcontractors of their own. Therefore, the working relationship in global value chains is getting increasingly complex, making it difficult for trade unions to organize and improve working and living conditions in the agriculture industry.<sup>140</sup>

Prior to the implementation of the international framework agreement, the working relationship between Chiquita and its employees should not be seen differently from that of the agricultural sector. Working and living circumstances on the banana farms have not been commensurate with human dignity. Workers worked around 14 hours per day and were ineligible for social security. The workers were required to perform unpaid overtime, and those who resisted were terminated without pay. The excessive and improper application of chemical pesticides in the fields has resulted in severe health issues. After the European Union's system favoring African, Caribbean, and Pacific nations went into effect, these

<sup>&</sup>lt;sup>139</sup> Riisgaard, L. (2005). International framework agreements: A new model for securing workers rights?. Industrial relations: A journal of Economy and Society, 44(4), 707-737.

<sup>&</sup>lt;sup>140</sup> Brooks, T. J. (2007). Negotiating the Chiquita-COLSIBA International Framework Agreement: An unlikely happening. Available at SSRN 3017935.

working conditions have deteriorated as a result of the escalation of competition for the lowest labor prices.<sup>141</sup>

The fact that multinational corporations manufacturing bananas in Latin America have relocated their production stages to countries with cheap labor costs and employer-friendly labor laws has diminished the influence of labor unions in the region. Since its founding, COLSIBA has attempted to alter this circumstance. It sought to enhance the working and living conditions of workers by granting them their fundamental rights to employment. To achieve this objective, rallies were organized against the horrible working conditions in Chiquita's global supply chain. Chiquita has attempted, through protests, to discredit its business in the public eye and to rally retailers and consumers in exporting countries to improve the working and living circumstances of field employees. Therefore, the majority of these demonstrations were conducted in Europe and the United States, where Chiquita has a significant market share. It also collaborated with non-governmental organizations in these locations to organize protests. COLSIBA's collaboration with non-governmental organizations helped it to reach a larger audience, so bolstering the negative public reaction it was attempting to generate towards Chiquita's company. 142

As a result of the protest march that was started by COLSIBA in May of 1998, the Chiquita business was able to come to the bargaining table and successfully reach an international framework agreement. This demonstration was sparked when a series of articles regarding the Chiquita company were published in a newspaper that was distributed in Cincinnati, Ohio, in the United States. It was reported in the news that the company was involved in corrupt practices, that they sprayed the field while the workers were working in the field, and that they obstructed the actions of the union. As part of the protest that COLSIBA initiated in response to these reports, the organization made a demand that the European shops who had purchased bananas from the Chiquita company conduct an

<sup>&</sup>lt;sup>141</sup> Riisgaard, L. (2005). International framework agreements: A new model for securing workers rights?. Industrial relations: A journal of Economy and Society, 44(4), 707-737.

<sup>&</sup>lt;sup>142</sup> Brooks, T. J. (2007). Negotiating the Chiquita-COLSIBA International Framework Agreement: An unlikely happening. Available at SSRN 3017935.

<sup>&</sup>lt;sup>143</sup> Papadakis, K. (Ed.). (2011). Shaping global industrial relations: The impact of international framework agreements. Springer.

investigation into the allegations. Press conferences were organized by COLSIBA in addition to non-governmental organizations that supported the protest. A demonstration was held to write a mass letter to Chiquita businesses in an effort to make a statement in response to the allegations. As a direct consequence of this, the Danish supermarket chain provided funding to three non-governmental organizations so that they could produce a study on the labor conditions in the fields owned by Chiquita. Within this framework, the protest was the cause of unfavorable public reaction toward the Chiquita firm.<sup>144</sup>

In point of fact, the leader of the company at the time indicated that the demonstration had a negative impact on the company's finances and that he needed to place a greater emphasis on the principles of corporate social responsibility. The public outcry that COLSIBA stoked caused significant financial harm to the Chiquita firm, which allowed COLSIBA to exert pressure on the Chiquita business to join into an international framework agreement. As a direct consequence of this, the first meeting between the Chiquita firm and COLSIBA took place in November of 1998. During this discussion, representatives of the Chiquita business declined to initiate the beginning of the negotiations for the international framework agreement. Despite this, the social conversation that had been going on between the two sides persisted. An international framework agreement was reached in 2001, roughly six months after the International Union of Food and Agriculture (IUF) became involved in the social discussion. The Chiquita company was the first United States-based multinational corporation to sign an international framework agreement. The deal was between Chiquita and other countries.

<sup>&</sup>lt;sup>144</sup> Riisgaard, L. (2004). The IUF/COLSIBA-CHIQUITA framework agreement: A case study. International Labour Organization. Multinational Enterprises Programme Working Paper No. 94. International Labour Office, Geneva

<sup>&</sup>lt;sup>145</sup> Frundt, H. J. (2009). Fair bananas!: Farmers, workers, and consumers strive to change an industry. University of Arizona Press.

<sup>&</sup>lt;sup>146</sup> Riisgaard, L. (2005). International framework agreements: A new model for securing workers rights?. Industrial relations: A journal of Economy and Society, 44(4), 707-737.

<sup>&</sup>lt;sup>147</sup> Brooks, T. J. (2007). Negotiating the Chiquita-COLSIBA International Framework Agreement: An unlikely happening. Available at SSRN 3017935.

## 3.2 Content of the Agreement and Impact on Labor Law

There are three components that make up the international framework agreement. In the first of these, a list of the bare minimum requirements for working conditions is provided. As a consequence of this, Chiquita enterprise, COLSIBA, and IUF accepted that workers can become members of independent trade unions of their own free will and benefit from the right to collective bargaining through these unions. In addition, workers can exercise their right to collective bargaining through these unions. The Chiquita business organization has vowed to uphold the International Labor Organization's agreements on the fundamental rights to work.

These include Convention No. 87<sup>148</sup> on Freedom of Union and Protection of the Right to Unionize, Convention No. 98 on the Right to Organize and Collective Bargaining<sup>149</sup>, Contract No. 135 on Workers Representatives, Contract No. 29 on Forced Labor, Convention No. 105 on the Abolition of Forced Labor, Convention No. 138 Minimum Age Convention No. 182, Urgent Action Convention No. 182 on the Prohibition and Elimination of the Worst Forms of Child Labor, Equal Pay Convention. <sup>150</sup>

The first section of the international framework agreement guarantees that trade union representatives will have access to the fields where the workers are doing their jobs and will be able to contact with the workers. On the other hand, it has been said that it is the responsibility of the Chiquita business to take safeguards in terms of the occupational health and safety of its employees. It was decided that Chiquita enterprise, COLSIBA, and IUF

<sup>&</sup>lt;sup>148</sup> Von Potobsky, G. (1998). Freedom of association: The impact of Convention No. 87 and ILO action. Int'l Lab. Rev., 137, 195.

<sup>&</sup>lt;sup>149</sup> Marks, M., & Fleming, J. (2006). The right to unionize, the right to bargain, and the right to democratic policing. The annals of the American academy of political and social science, 605(1), 178-199.

<sup>150</sup> Wibisono, L. Z. M., & Sadiawati, D. (2021). Protection of Migrant Workers in Suriname: How do Indonesian Representatives Implement International Labour Organization Conventions?. Protection of Migrant Workers in Suriname: How do Indonesian Representatives Implement International Labour Organization Conventions?, 5(2), 138-152.

would collaborate in order to enhance employee health and safety precautions.<sup>151</sup> Throughout the very final article of the very first section, the parties came to an understanding that they would declare the international framework agreement on all of the Chiquita enterprise's activities in Latin America that are connected to the production of bananas.

In the second component of the international framework agreement, the Chiquita enterprise has committed to consulting the unions of the workers there before making a decision that will affect the working conditions or the number of workers, such as the relocation of any production stage. This commitment was made in light of the fact that the international framework agreement was reached. COLSIBA, the International Union of Foodworkers (IUF), and the nationally organized trade union are required to be informed of the decision that will be taken regarding the modification that will be made, as well as the ramifications of this choice in terms of the working conditions.<sup>152</sup>

It is planned that the Chiquita firm will review the suggestions made by the labor unions and give a response to the labor unions that are pertinent as soon as it is humanly able to do so. According to the second part of the international framework agreement, the Chiquita enterprise will have the ability to request that the subcontractors in the global value chain provide proof that they comply with the national labor legislation in the applicable country as well as the provisions on working conditions in the international framework agreement. This will allow the Chiquita enterprise to ensure that its subcontractors are operating in accordance with all applicable laws. In addition, responsibility for the implementation of this clause has been delegated to the review committee, the establishment of which was voted upon in the last section of the agreement.

<sup>151</sup> Riisgaard, L. (2004). The IUF/COLSIBA-CHIQUITA framework agreement: A case study. International Labour Organization. Multinational Enterprises Programme Working Paper No. 94. International Labour Office, Geneva

<sup>&</sup>lt;sup>152</sup> Robinson, P. K. (2011). International framework agreements: do workers benefit in a global banana supply chain?. Shaping Global Industrial Relations: The Impact of International Framework Agreements, 164-178.

The international framework agreement concludes with the final section including the provisions pertaining to the process of the agreement's actual implementation. It has been decided to form a review committee, and Chiquita enterprise, COLSIBA, and IUF will each be responsible for appointing four members to serve on the committee. It was claimed that the review committee would be responsible for monitoring the process of putting the international framework agreement into effect as well as investigating any violations that were reported. It was decided that the review committee would meet twice a year, and that the agenda items for these meetings would be decided in advance. This decision was made after it was decided that the review committee would meet twice a year. On the other hand, it was indicated that attempts at resolving national conflicts would initially be made between nationally organized labor unions and the national authorities of the enterprise.

It was decided that the review committee would only step in when there was a pattern of violations of fundamental rights to work or working circumstances that were outlined in an international framework agreement. The international framework agreement does not take the place of the collective bargaining agreements that were reached at the national level. It is written into the terms of the Agreement that it will continue to be in force unless and until one of the signatories decides to cancel it. It is required that a written notification be submitted at least three months before the agreement's termination date for it to be possible for one of the signatories to withdraw from the agreement. Both parties to the international framework agreement have agreed to refrain from engaging in activities that are hostile toward trade unions while the agreement is still in effect. The workers' side will not stage any international protests against the Chiquita enterprise, and the employer's side will not engage in anti-trade union activities.

As part of the worldwide framework agreement, the parties agreed to make the agreement publically known in any and all Chiquita enterprise endeavors in Latin American nations that are connected to banana harvesting. In this respect, it is possible to start the evaluation of the international framework agreement in terms of the protection of employees

153 Myers, G. (2004). Banana wars: the price of free trade: a Caribbean perspective. Zed Books.

from the information stage. This is because the review will focus on the protection of workers. Workshops, frequent radio programs, and the distribution of pamphlets on the international framework agreement are some of the strategies that are utilized in the information phase. Other methods include regular radio broadcasts.

There are significant variations from one nation to the next in regard to the implementation of these procedures. For instance, the information phase in Honduras made use of each of these approaches in its various forms. On the other hand, this does not hold true for any other countries. Only sporadic meetings were held in Guatemala, and workers were not provided with adequate information about the working conditions that were outlined in the international framework agreement. At the information phase, sessions were sporadic, brief, and held in an informal setting in both Costa Rica and Nicaragua. A limited quantity of pamphlets on the international framework agreement were also distributed during this time. It has been suggested that in these two countries, trade union representatives who want to inform workers about the international framework agreement are not allowed to reach the banana farms. This is something that has taken place in both of these countries.

However, thanks to the economic support of the United States Labor Education Project in the Americas, national workshops were held in COLSIBA member nations to enlighten employees about the international framework agreement. The Chiquita business has promised, but has not yet fulfilled, its obligation to announce the international framework agreement in all of its activities in Latin America that are related to banana production. In the research that was carried out in 2004 on the information phase of the international framework agreement, none of the workers who were questioned about whether or not the Chiquita enterprise had told them about the agreement said that they had been informed about it by the company.

During the course of the same research, interviews were carried out with the representatives of the enterprises' subcontractors who were involved in the global value

<sup>&</sup>lt;sup>154</sup> Riisgaard, L. (2004). The IUF/COLSIBA-CHIQUITA framework agreement: A case study. International Labour Organization. Multinational Enterprises Programme Working Paper No. 94. International Labour Office, Geneva

chain. During the course of the interview, only two thirds of the officials working for the subcontractors claimed that the Chiquita firm had provided them with information regarding the international framework agreement. It is possible to argue that Chiquita Enterprises uses the international framework agreement to avoid negative public reaction and to make people forget its past full of human rights violations, rather than actually improving the working and living conditions of workers. This is because Chiquita Enterprises is more concerned with making people forget its past than with actually improving those conditions.

In order for workers to be able to exercise their fundamental rights to work and to be informed about the international framework agreement, trade union organizations have been working independently. Due to the fact that trade union organizations have restricted access to resources, the only people who could receive information regarding the international framework agreement are the members of the organization. Workers who are not members of a trade union have not been provided with sufficient information regarding the international framework agreement. Some of these workers were not aware that an international framework agreement was in place; others among them were uninformed of its existence. In point of fact, according to the findings of the study that was carried out in 2005, there are workers in Guatemala who are a part of the labor union who are unaware of the international framework agreement. This is the case even in the fields where the labor union is organized.

Because of this circumstance, the contribution of the international framework agreement was limited in terms of benefiting from the fundamental rights of workers and improving their working and living conditions during the time period in which the protective function of the labor law was impaired. Specifically, this situation limited the contribution of the international framework agreement in terms of benefiting from the fundamental rights of workers. It was agreed upon in the international framework contract that workers should be free to organize themselves into independent labor unions and should have the right to collectively bargain for their wages and working conditions. Because of this, the rate of unionization in Latin American countries where Chiquita enterprise has subcontractors in the global value chain and the proportion of workers covered by collective bargaining should

be taken into consideration when evaluating the international framework agreement in terms of worker protection.

In this context, according to the data of ECOC, after the conclusion of the international framework agreement in Costa Rica, which is a member of COLSIBA, the unionization rate, which was 14.3% in 2002, became 13.4% in 2011. In contrast, the rate in Nicaragua, which is not a member of COLSIBA, remained at 14.3% in 2011. The rate of unionization in Colombia was estimated to be 10.9% and 9.1%, respectively, over the same time period. According to the information provided by the International Labor Organization (ILO), the rate of unionization in Guatemala fell from 3.6% in 2004 to 3% in 2011. <sup>155</sup>

Following the signing of the international framework agreement ten years ago, the rate of unionization has not increased in any of the countries that are members of the COLSIBA organization, according to the data that is currently available. The fact that the information stage is carried out in a variety of ways from nation to country and that the only organizations that make an effort at this stage are trade unions both play a part in the establishment of this predicament. It is also conceivable to come across rare situations in which the global framework agreement leads to worker unionization. For instance, it was discovered that 47 employees in Honduras' banana fields banded together and established a labor union in July 2003. It was the establishment of the Central American banana plantations' first labor union in a very long time.

The international framework agreement is important, but it is not the only thing that makes it possible for employees in Honduran banana farms to organize into unions. Since the walkout of workers in the banana fields in 1954, Honduras has had one of the most powerful labor movements in Central America. The formation of COLSIBA was also aided by this labor movement. The Honduran labor movement is one of the key factors in this situation that led to the union's formation. <sup>156</sup> The leader of the SINTRAINAGRO labor union

<sup>&</sup>lt;sup>155</sup> Riisgaard, L. (2004). The IUF/COLSIBA-CHIQUITA framework agreement: A case study. International Labour Organization. Multinational Enterprises Programme Working Paper No. 94. International Labour Office, Geneva

<sup>&</sup>lt;sup>156</sup> Chomsky, A. (2007). Globalization, labor, and violence in Colombia's banana zone. International Labor and Working-Class History, 72(1), 90-115.

in Colombia claimed in 2003 that the international framework agreement reached with the Chiquita company had attracted 2,000 new members to the union. However, it has been found that the international framework agreement allows the labor union established in the Colombian field that Chiquita sold in 2006 to continue its operations.

On the other hand, three new collective bargaining agreements were inked in Colombia's Magdalena area as a result of the international framework agreement. The international framework agreement has sparked an ongoing social conversation between the national labor union and the Chiquita enterprise's national authorities in Costa Rica. As a result, there have been fewer labor conflicts in the nation between the two parties that reached the Ministry of Labor. On the other hand, the percentage of workers who were subject to collective bargaining in 2011 varied by country: it was 1% in Colombia, 4.6% in Costa Rica, 1.7% in Panama, and 4.1% in Peru. These figures demonstrate that the global framework agreement did not have the desired impact on employees' ability to engage in collective bargaining.<sup>158</sup>

One sign of the international framework agreement's contribution to worker protection is the fact that subcontracted workers in the global value chain are able to exercise their fundamental rights to work and thereby improve their working and living conditions. In this sense, the Chiquita business may demand that subcontractors in the global value chain demonstrate compliance with both the provisions of the international framework agreement regulating working conditions and the national labor laws of the relevant country. However, studies have revealed that workers in the global value chain's subcontractor industries are unable to benefit from fundamental labor rights, and their working and living conditions remain unchanged. There are supposedly two causes for this circumstance.

The first is that the Chiquita firm is not specifically given the authority to verify that the requirements of the international framework agreement are followed by subcontractors involved in the global value chain. The second factor is the style of governance the Chiquita

<sup>157</sup> Ibid

<sup>&</sup>lt;sup>158</sup> Keifman, S. N., & Maurizio, R. (2012). Changes in labour market conditions and policies. ONU-WIDER Working Paper, (2012/14).

company uses with its worldwide value chain subcontractors. Because of this, the Chiquita firm did not put any pressure on the subcontractor, who shares relational or modular governance with the enterprise, to abide by the national labor laws of the relevant country and the stipulations on working conditions in the international framework agreement.

The Chiquita company has occasionally disregarded the terms of the global framework agreement. For instance, UNSITRAGUA claims in a written statement from September 2003 that the Chiquita company is flagrantly breaking the terms of the global framework agreement. As a result, the Chiquita company has declared that it will halt production and close four fields on Guatemala's Caribbean coast. But the choice was made without discussing or informing the workers' union, with which they were organized. The statement identified union activity as the primary cause of the output halt in these fields. According to reports, the Chiquita company will transport the produce from these fields to those on the Pacific shores of Guatemala and Ecuador, where there is no union organization. 159

The labor unions did not believe that the Chiquita company, which has a history of violating human rights, was making an effort to improve the living and working conditions for its employees as a result of the global framework agreement in this situation. He maintained that the company's sole goal was to minimize unfavorable public perceptions and boost earnings. It is important to mention the review committee's activity when determining whether the international framework agreement upholds the labor law's obligation to safeguard exploited workers. Because the review committee was established to monitor the process of putting the international framework agreement into effect, to look into reported infractions, and to verify that workers actually enjoy their fundamental rights to the workplace, The denial of employees working under temporary employment contracts their right of association was the most commonly cited infringement to the review committee. These workers are not even allowed to join a union in Costa Rica or Nicaragua, countries with national labor laws that guarantee freedom of association. Other claimed violations

<sup>&</sup>lt;sup>159</sup> Riisgaard, L. (2005). International framework agreements: A new model for securing workers rights?. Industrial relations: A journal of Economy and Society, 44(4), 707-737.

include intimidation against workers who want to join a labor union, discrimination against women workers and union members in terms of working conditions, and not allowing workers' union officials to enter the fields where they work. It has been established that infractions typically take place on the farms of the subcontractors in the worldwide value chain of the Chiquita company. On the other hand, it was claimed that Chiquita employees in Costa Rica's fields discriminate against unionized workers in terms of working conditions and stifle their union activity. <sup>160</sup>

Trade unions asserted that despite submitting irregularities to the review committee, neither an inquiry nor a correction of the violations took place. Trade union representatives, particularly in Costa Rica and Nicaragua, said that despite reporting infractions, the review committee had not responded. In reality, it was found that the investigation committee members made no preparations for the meetings, did not look into the reported violations in advance, and did not, as a result, suggest a remedy for the rectification of the violations in the meetings. Six review committee members were interviewed in 2004. The review committee members who were interviewed said that they did not get the minutes from the two meetings that took place. Documents related to review committee meetings only began to be posted on the IUF website in March 2003, according to the research. In this way, the review committee was unable to stop employers' anti-union actions and guarantee that employees exercised their fundamental workplace rights.

<sup>&</sup>lt;sup>160</sup> Frundt, H. J. (2009). Fair bananas!: Farmers, workers, and consumers strive to change an industry. University of Arizona Press.

## 3.3 Concluding remarks

The results of the Chiquita case study were analyzed, and conclusions were drawn that emphasize important takeaways and provide light on a problem that is relatively new but is fast spreading. The study draws attention to the really straightforward but yet highly relevant issue of how inadequate dissemination prevents the use of an IFA as a tool for more active local organization, for affiliation, and more generally for securing the rights promised by the agreement. Specifically, the study focuses on how inadequate dissemination prevents the use of an IFA as a tool for securing the rights promised by the agreement. In addition, it illustrates how problems with coordination, communication, and disagreement across unions impede progress toward advancement in corporate leadership positions. On the other hand, it demonstrates how such an agreement could help address the frequently real threat of relocating production to further take advantage of variations in labor costs by encompassing all Chiquita and supplier estates in Latin America. This would be done in order to take advantage of differences in labor costs. Nevertheless, the problem with the suppliers remains one of COLSIBA's most difficult problems to solve. In conclusion, the case presents an opportunity for an agreement in relation to providing assistance with local organization. Despite the fact that this potential has not been fully realized in practice, it has already produced a number of beneficial outcomes after only one year. These outcomes include the formation of a union at the Buenos Amigos plantation and improved relations between unions and employers on Chiquita-owned estates.

When the globalization of money and the demand for alternative labor initiatives are considered together, IFAs are revealed to be a potentially useful tool. While many of labor's previous efforts have been weakened, the innovative strategies that have been implemented by the banana unions demonstrate how a new globalization setting has presented workers with new opportunities to win rights within MNEs. This is occurring at the same time that many of labor's older strategies have been rendered ineffective. As a result of the increased demands placed on corporations by CSR and the new opportunities for union cooperation across geographic and political boundaries, labor now possesses new, powerful tools for publicly discrediting corporations in their outlet markets. These tools allow labor to combine their bargaining power with that of non-governmental organizations (NGOs), consumers,

and investors. This new atmosphere encourages common interests between companies and employees, so opening the door for collaboration through voluntary projects that are mutually agreed upon by both parties. A substantial alternative to programs for voluntary regulation specified by industry and non-governmental organizations (NGO), which exclude employees, is also demonstrated by the study. Despite the fact that IFAs have a few shortcomings, they do allow for the empowerment of workers and provide worker representatives a role in enforcing compliance.

## **Conclusion**

Examining the impact of international framework accords on labor law has revealed a complicated and nuanced picture. On the one hand, IFAs have the potential to act as a valuable instrument for encouraging compliance with international labor standards and enhancing working conditions for workers worldwide. By establishing norms for the treatment of workers and providing a benchmark for the operations of multinational firms, IFAs can contribute to the global advancement of workers' rights.

Nevertheless, the influence of IFAs is constrained by a variety of variables. The difficulties of ensuring its implementation, the limited resources of trade unions, and multinational firms' reluctance to reform can all impede the impact of IFAs on labor legislation. In addition, the inadequate enforcement mechanisms for international labor standards and the absence of global institutions with the authority to implement these standards can restrict the impact of IFAs. Despite these obstacles, the continuous expansion and application of international framework accords demonstrates their significance as a mechanism for developing labor law. The increasing globalization of the economy and the growing dominance of multinational corporations have made it more crucial than ever to preserve the rights of employees worldwide. The usage of IFAs provides a mechanism to achieve this objective and can aid in the promotion of better working conditions and the global advancement of workers' rights.

The Chiquita framework agreement is an important illustration of how international framework agreements can affect labor law. The agreement was significant in establishing global norms for the treatment of workers and in advancing the cause of workers' rights. Through its stipulations on working hours, wages, health and safety, and freedom of association, the Chiquita framework agreement has helped to improve the working conditions of Chiquita employees in countries with inadequate labor regulations.

Nonetheless, the impact of the Chiquita framework agreement has been the subject of considerable controversy and criticism. Some have complained that the agreement does not sufficiently protect workers' rights and impedes their capacity to engage in collective bargaining. Despite these concerns, the Chiquita framework agreement continues to serve as

a prominent and influential example of the impact international framework agreements can have on labor law.

This thesis also examines the impact of international framework agreements on the development of labor law. International framework agreements have the potential to promote compliance with international labor standards effectively, but their impact is limited by a number of factors, such as the difficulty of ensuring their implementation, the limited resources of trade unions, and the resistance of multinational corporations to change.

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