

**IMPLEMENTING INTERNATIONAL FRAMEWORK
AGREEMENTS AT THE LOCAL LEVEL:
CASES FROM TURKEY**

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Abstract

International framework agreements (IFAs) bring a new dimension to the globalisation of industrial relations which in the literature had mostly been discussed within global governance and corporate social responsibility topics. Negotiated between global union federations and the headquarters of transnational corporations (TNCs) these are ‘contracts’ that the latter commit themselves to implement in their global operations, including their subsidiaries and even suppliers. In this paper, we aim to understand the local implementation of IFAs by looking at a main case company and its two suppliers in Turkey.

Key words

International framework agreements; transnational corporations; policy transfer; global union federations; international human resource management.

*First draft. Please do not quote without prior consent of the authors.

Introduction

Globalization has challenged trade unions’ ability to develop new strategies to organize internationally. In response to the global operations of transnational corporations (TNCs), trade unions have developed new ways of campaigning for fundamental labour rights. A significant example is international framework agreements (IFAs) negotiated between TNCs and global union federations (GUFs). Reflecting the structure of transnational production networks (TPNs), IFAs not only aim to extend labor rights within the global operations of a particular TNC, but beyond its organizational boundaries to subcontractors and suppliers (Davies et al., 2011: 124). For this reason, the logic of IFAs requires the international labour movement to consider (at least) two strategic maneuvers: *within* a TNC and *between* a lead firm and its GPN (Hammer, 2008: 91).

It is generally agreed that transnational corporations aim to standardise their human resource (HR) management policies across their global operations in order to monitor and control their operations (Ferner et al., 2004). There is growing literature in international HRM that pertains to how such policies developed at the corporate headquarters are transferred to, internalised and applied at the subsidiaries (e.g. Sayim, 2010, Sayim, 2011, Brewster et al., 2008; Edwards et al., 2007; Geppert et al., 2006). As the significance of global subsidiaries, particularly in developing countries, intensifies within TPNs, transferring corporate policies to the former has gained even more importance for controlling these operations financially and for higher quality. International framework agreements are a rather recent tool that aims to do that in industrial relations (and other related areas of HR) policies and implementation. As such, they can be defined as ‘self-committed’ corporate policies, while negotiated with third parties (i.e. global union federations) and agreed to be ‘implemented’ across subsidiaries and suppliers (Waddock, 2008; Hammer, 2005). An outstanding question is related to how far TNCs use this tool in their global operations. As a general rule, IFAs state that the TNC management first of all has to inform all its subsidiaries of the existence of such a formal policy as a part of its implementation. Although the policy is negotiated and agreed at headquarters level, it will be implemented at the subsidiary level involving subsidiary management, local partners (if the subsidiary is a joint venture) and unions. Therefore, local partners have an important role in the dissemination and implementation of this ‘global’ tool. The institutional factors (e.g. industrial relations system, legal environment, role of the state, etc.) in the home-country need to be also considered in order to understand the implementation process. Accordingly in this paper we focus on the role of various actors on the implementation of IFAs at subsidiaries and suppliers.

Literature Review

The first example of an IFA was signed between Danone (BSN) and IUF in 1988 (Gallin, 2008:26) and the total number reached 76 at the end of 2010. A vast majority (90%) has been agreed between European TNCs and five global union federations (IUF, IMF, ICEM, BWI and UNI) and they establish binding codes for employment relations regarding the ILO Core Labour Standards (ILO, 1998) as well as other ILO Conventions as their main reference. As such, IFAs recognise both parties (i.e. headquarters management and global union federations) and present compulsory standards for both. Their main objectives can be summarised as providing mechanisms of monitoring and conflict resolution within a defined domain for both parties representing labour and management (Fichter, Helfen and Sydow, 2011). Despite their rather long history in the international labour relations arena, IFAs have only recently started to receive attention in the literature. The majority of this literature has comprised descriptive and review studies (e.g. Tørres and Gunnes, 2003; Hammer, 2005; Müller et al., 2008; Papadakis, 2008; Schönmann et al., 2008). More recently a few studies that focus on the implementation of IFAs in the subsidiaries particularly in less-developed and developing countries have been published. Particularly, case studies that investigate how labour and its representatives in such countries use IFAs and international solidarity to make their ‘voices’ and demands heard by local managements take precedence. Among these, G4S case in Ghana (Fichter and Helfen, 2011), Telefonica in Peru, Mexico, Puerto Rico and Ireland (Niforou, 2011), and Chiquita case in Honduras and Colombia (Riisgaard, 2005) are notable examples. Nevertheless these examples are still far from redressing the insufficient research on the transfer and implementation of a significant ‘global’ policy especially in less-developed and developing countries. When the research question is about the implementation of a corporate policy in a subsidiary, influences of many institutional factors and role of various actors need to be considered as well.

Methodology

This study had been conducted in Turkey as a part of an international project done in Brazil, India, the USA and Germany, which is also the project coordination centre¹. The sectors were determined by considering the GUFs that had concluded the largest number of IFAs. Within these sectors, a list of ‘priority’ case study companies had been determined by the project coordination centre so that the TNCs’ have subsidiaries in the four countries. The main objective was to collect comparative data from the same TNCs to understand ‘implementation’ of IFAs as a corporate policy in different countries. In this paper we focus on only one major case study from the metal sector, MetalCorp, as it is one of the rare cases where we were able to collect primary data from its two suppliers (see Table 1). The supplier cases present significant examples as to the influence of local actors on the implementation of IFAs.

Data has been collected mainly by semi-structured in-depth interviews with the major actors representing labour and management. A standard interview protocol in English had been developed and used in all four countries, which is translated into the local language where necessary. In Turkey, we have had this protocol translated into Turkish and then back to English by two different professional translators specialised in labour issues. The back translation and the original matched over 90%, where the remaining part did not present a major diversion from the original. In the interviews, the management side were represented by HR directors, managers, specialists, and other managers (general managers, CEOs, where possible). For labour representation, we interviewed union officers (presidents, general secretaries, specialists, branch managers) and shopfloor representatives. Primary data collected through interviews is supported by secondary data from company sources (annual reports and company documents, company web sites, news about companies in the media, etc.). In total, 35 interviews have been conducted with 46 people. The findings of the three cases which are the subject of this paper are based on 13 interviews conducted by 17 people (in some cases, two or more related parties were interviewed at the same session or the same actor –i.e. union officers- was asked about two or three companies during the same interview).

Findings

Overview of case companies

In this part, we first present an overview of the case companies, which is followed by our findings on the implementation of IFAs.

Our main case study, MetalCorp/T, is the Turkish affiliate of one of the largest TNCs in the automobile industry globally, MetalCorp. It is also among the biggest foreign direct investments (FDI) in Turkey, with a total investment volume of 620 million Euros and 4,600 employees. MetalCorp/T produces buses trucks for both domestic and export markets. MetalCorp/T has a leading position in these sectors locally. It is also the primary bus and

¹ The research on IFAs is co-directed by Michael Fichter and Jörg Sydow with funding from the German Hans-Boeckler-Foundation. See http://www.polsoz.fu-berlin.de/polwiss/ifa_projekt.

truck exporter, mainly to the Western, Central and Eastern Europe. Both plants are among the most modern ones globally.

We were able to conduct fieldwork in two suppliers of MetalCorp/T. The first is AutoSupplier1/T is the Turkish subsidiary of AutoSupplier1, a leading company in the automotive and engine suppliers industry. It produces piston systems, cylinder components as well as valve train, air management and liquid management systems. As of end of 2010, AutoSupplier1 has 100 production plants and 47,500 employees worldwide. AutoSupplier1's major clients are leading automobile producers. In Turkey, it has three production plants where it employs around 950 blue collar workers. The company was initially established as a JV between a Turkish company (60%) and AutoSupplier1 (40%). During the unionisation struggle, AutoSupplier1 acquired the shares of the Turkish partner, turning the company into a wholly-owned subsidiary.

The second supplier case, AutoSupplier2, was established in 1978 in Turkey. Ranking among the 500 major industrial enterprises in Turkey, AutoSupplier2/T employs 3,000+ workers and produces sealing profiles (weather-strips) for the automotive industry. It serves both the domestic and foreign markets and has annual sales of about USD 95 million. Moreover, AutoSupplier2 is the only Turkish manufacturer of sealing profiles, giving it a dominant status in the domestic automotive supplier industry. Like AutoSupplier1, it is also among the biggest suppliers in its industry globally, serving all major automotive producers. In 2006, the company was acquired by a private equity investor group. More recently, negotiations for the sale of the company had been ongoing.

AutoSupplier2 was awarded Best Supplier of the Year award by General Motors (1998-2006), Tofaş Fiat in 2006 and Volkswagen in 2011. Those awards are given based on the criteria such as price, on-time delivery, innovation, environmental sensitivity, and quality, but not related to any criteria about working conditions and occupational health & safety.

Headquartered in İstanbul, AutoSupplier2 has 3 plants in Turkey, the largest one located in a rather rural district employing around 2,400 workers, which makes it one of the largest enterprises in this area. In addition to its operations in Turkey, the company has operations in Bulgaria, South Africa, and China. In South Africa, it is the only supplier of sealing profiles on this continent.

Implementation of IFAs

MetalCorp/T

In MetalCorp/T top management (including CEO and HR Director) is duly aware of the IFA and the UN Global Compact certain steps have been taken towards the implementation of this corporate policy in the subsidiary. In fact, these policies are among the major corporate ones, where the implementation is closely monitored by the headquarters. As a part of ethics policies, emphasised strongly by the corporate management, these policies are among the performance goals of the CEO and HR Director. After the signing of the IFA in 2002, MetalCorp/H informed its subsidiaries and suppliers about the content of the IFA and asked them to follow the agreed procedures set. The first outcome in Turkey had been the translation of the MetalCorp/H code of conduct into Turkish. It had been distributed to all subsidiary workers who were specifically asked to read the text carefully and follow the rules set. The HR manager reports that he continuously emphasises its significance and makes this

document an inseparable part of all the trainings he delivers to blue- and white-collar employees. It covers a vast range of issues such as transparency, corruption, human rights, and workers' responsibility towards the company as well as the society in general. It has been reported that this corporate document had been transferred to Turkey as "a new management style" and "placed at the centre of the future management plans of the company"². However, the HR Director indicated that the implementation process sometimes flows slowly and might not always provide solutions to new problems. Therefore, the company develops new independent projects and methods to realize the implementation of the agreement or policy documents transferred from the MetalCorp/H. The HR department sends activity reports on a regular basis to the MetalCorp/H to provide updated information on the implementation of code of conduct and other policy documents within the scope of corporate social responsibility.

MetalCorp/T is a member of Turkish Automotive Manufacturers Organization and the Turkish Metal Employers' Association (MESS), which is affiliated with the West European Metal Employers Association (WEM). Its employees are unionized under MetalUnion/T, the main trade union in Turkey with the highest membership in the metal industry³. All workers eligible for union membership are members of the MetalUnion/T hence the unionization rate is 100%. MetalUnion/T has been organised in MetalCorp/T for a very long time and has a strong presence. The current collective agreement was signed in 2010 as a 'group collective agreement' and is valid between 1st September 2010 and 31st August 2012. MetalUnion/T had withdrawn from the membership of the GUF, namely IMF, in the late 1980s and has not been affiliated with it since. Therefore the active union in MetalCorp/T is not a member of the GUF with which MetalCorp has a signed the IFA. It is generally agreed that MetalUnion/T has been largely isolated from the international union cooperation and solidarity with European (Western) unions, even though it is the chief union in the Turkish metal industry.

Union officers confirmed that the relation between the union and company managements is very good "even though the two parties might get each other's throat sometimes"⁴. Shopfloor representatives did not raise any serious complaints about violation of labour standards or the collective agreement during the interviews. It appears that the union and the company management have developed close relations and friendly communication channels for conflict resolution, which is not very common for many unions in Turkey. Both parties seem to be keen on maintaining the existing good relations. We have been told at all levels of union representation that basic rights of workers are fully respected and more is granted. This stable relation between the company and the union seems to have a positive influence on protecting the workers' rights. However, one should be careful about assessing such a close relationship concerning its influence on the autonomy of the union. Despite the positive relation between two parties, it should be noted that, MetalUnion/T has apparently no knowledge about the IFA whatsoever. This might be partly due to lack of cooperation on the MetalUnion/T side with international unions and GUFs.

While labour relations at MetalCorp/T are reported to be very peaceful, where labour's rights and expectations are highly respected by the management, we learnt about alleged violation

² Interviews with HR Manager MotorCorp/T.

³ Approximately 51%, according the Ministry of Labour and Social Security figures as of 2009.

⁴ Interviews with Branch Officers MetalUnion/T and HR Manager MotorCorp/T.

of basic employment standards at suppliers (and sub-contracting firms). These violations include limiting the freedom of association by workers and dismissal of workers due to trade union activities. As indicated by the HR Director of MetalCorp/T, when allegations of such violations in suppliers are heard, the HR Director has to enquire about these and report to the headquarters. For some cases, local HR manager was directly asked by the latter to follow up the alleged violations in suppliers and report the measures which were taken by MetalCorp/T. In addition to the regular reporting system, MetalCorp/T monitors its suppliers as to what extent they apply certain labour standards, including working conditions set by MetalCorp/H within the framework of IFA. They also deliver training programs to the local suppliers to raise awareness of labour standards that are expected by MetalCorp/T to be applied.

AutoSupplier1

The first supplier case, AutoSupplier1 has not signed an IFA itself, but it has the responsibility to follow and implement the provisions of the IFAs signed by two major car producers as their suppliers⁵.

The first unionisation attempts in the company started by MetalSuppUnion/T in 2010 at the Konya plant. MetalSuppUnion/T claims that the management forced workers to resign from the union membership as soon as it realized the ongoing unionization activities, while it fired some of those who had actively participated in these activities. According to MetalSuppUnion/T statements (written and in the interviews), the General Manager and Human Resources Manager threatened workers by arguing that if MetalSuppUnion/T entered the company, the German partner would close down the plant, leaving all of them jobless. They declared that they were in favour of MetalUnion/T over MetalSuppUnion/T as the former has already unionized in most of the German companies operating in Turkey (MetalSuppUnion/T, 2010)⁶. Afterwards, MetalUnion/T entered the two plants in Konya and İzmir together with a notary to register all workers as its members⁷. When workers rejected to be a member of MetalUnion/T, they were threatened to be fired without their legal rights (including severance pay).

In response to the threats by the management and active engagement by MetalUnion/T in the plant, MetalSuppUnion/T used two tactics: First was to take the case to the Labour Court to be recognised as the authorised union to negotiate and sign a collective agreement. The second was to initiate a global campaign in close cooperation with IMF and EMF to put international pressure on the headquarters of AutoSupplier1. As MetalSuppUnion/T has strong relations with IMF and EMF and past experience in global campaigning for

⁵ In 2006, IMF approached AutoSupplier1 to sign an IFA. Although a draft was negotiated it could not be signed as AutoSupplier1 refused to accept IMF as a signatory party. Drawing on the provision in two other major car producers that have signed IFAs, which states that these companies support and encourage their suppliers to implement similar provisions, IMF put further pressure on AutoSupplier1. However, the negotiations did not end up with an IFA (IMF, 2006: 13-14).

⁶ Reference withheld in order to protect the anonymity of the company and the union.

⁷ Experts we interviewed stated that employers, who don't want MetalSuppUnion/T in their plants, use several strategies to hinder its unionization efforts. Threatening workers on the grounds of dismissal without any legal rights and severance pay are some of the well-known strategies. What is noteworthy in this case is that they use the other competing union, MetalUnion/T to channel workers towards MetalUnion/T membership. One of the possible reasons behind such an intervention is argued to be ideological bias against MetalSuppUnion/T, which is generally perceived as a 'militant union' whereas MetalUnion/T is perceived as 'employer friendly', building peaceful relations with and making compromises to employers (Nichols and Suğur, 2004).

unionization rights, it looked for the most suitable ways for its voice to be heard at the international level. As AutoSupplier1 is a major supplier to two key car producers with IFAs signed with IMF, MetalSuppUnion/T brought the IFA provisions on the agenda of IMF, EMF and IG Metal (Germany). IMF and IG Metal initiated active campaigns to bring the issue to the attention of the Works Council at the AutoSupplier1 headquarters to force the company to act in line with the IFAs of its major clients. A representative from the Works Council and IMF visited AutoSupplier1 in Turkey to investigate the allegations and look for a common ground between the union and the management.

The continuous pressure on AutoSupplier1 both at the national and international levels resulted in a protocol signed by IMF, AutoSupplier1 Works Council, and AutoSupplier1 in April 2010 to ensure basic workers' rights in all AutoSupplier1 plants in Turkey. It guarantees that no worker will be negatively affected when organizing a democratic union at AutoSupplier1 plants. The protocol came in response to the past cases of dismissals that MetalSuppUnion/T experienced at the Turkish plant when organizing workers (Metal World, 2010:4)⁸.

The protocol included the following points (IMF, 2010)⁹:

- AutoSupplier1 respects the ILO conventions on freedom of association and acts accordingly.
- The right of freedom of association will be accepted, it means each employee has the right to choose the union of his or her choice.
- The AutoSupplier1 management will behave neutrally towards unions.
- If one union gets some rights during the registration process, the other unions get the same rights.
- No employee will be disadvantaged or preferred because of membership in any union.
- AutoSupplier1 Headquarters agrees to install a "hotline" and enable each employee the right to make a complaint via this hotline.
- This document will be brought to employees' attention.
- In the future, all dismissals, which occur due to economic situation, can only come into effect with approval from the AutoSupplier1 headquarters after consultation with AutoSupplier1 Works Council in [*name of the town withheld to ensure anonymity*].

In March 2011, the Labour Court made a decision in favour of MetalSuppUnion/T and declared that it has the authorisation to negotiate and sign a collective agreement (Birgün, 2011)¹⁰. At the moment, the tension between the union and the management seems to have settled down. MetalSuppUnion/T has 300 members (100% of all eligible blue-collar workers

⁸ Reference withheld to ensure anonymity.

⁹ Reference withheld to ensure anonymity.

¹⁰ Source withheld to ensure anonymity.

for union membership) at one plant and 500 members (85% of all those eligible) at the other, while MetalUnion/T is actively seeking membership at the other new and small plant. Although the final court decision (which needs to be announced for the collective bargaining to officially begin) is not pronounced yet, the management and MetalSuppUnion/T had started negotiations unofficially. MetalSuppUnion/T states that the management wants to sign an individual collective agreement with MetalSuppUnion/T to cover the period 2010-2012. After that, the management wants to participate in the sectoral collective bargaining and agreement process, which shall start in September 2012.

AutoSupplier2

The first organizing activities at AutoSupplier2/T started in 1985. In 1996, ChemUnion/T had gained official eligibility for negotiating and signing collective agreements at the workplace. It had lost its eligibility position, as a result of an alleged systematic anti-union policy pursued by the company (ChemUnion/T, 2005)¹¹. ChemUnion/T argued that the management fired groups of workers who had been playing an active role in the organizing activity. Based on the judgment that the dismissals were indeed a result of union activities, the labour court ruled that the company should reinstate those workers dismissed. ChemUnion/T claimed that the company management did not obey the court rule to reinstate the workers. It had allegedly continued implementing systematic repressions towards union activities by threatening workers by losing their jobs. In spite of these repressive measures, in 2003 ChemUnion/T re-started an organizing effort at AutoSupplier2: it established a local organizing unit, appointed an organizing officer at the largest plant so as to strengthen its presence as well as to reach out to more workers. However, as argued by the local organizer, it is a very difficult task to convince workers to become a member of a union in a company where the management has an anti-union attitude and some workers had experienced negative consequences due to their union activities.

When mass dismissals and anti-union practices were peaked, ChemUnion/T employed several tools to bring pressure upon the management. It sought international cooperation with ICEM and EMCEF in order to force the management to recognise employee rights. ChemUnion/T knew the IFA signed between with IMF and a major automobile producer, of which AutoSupplier2 is a supplier, which also applies to its supply chain. Acknowledging the significance of IFAs, ChemUnion/T attempted to compel the management through the provisions of this IFA. However, this cooperation attempts did not get anywhere, due to various factors.

ChemUnion/T did not give up on its efforts to find other sources of international power on AutoSupplier2 and had then discovered the International Finance Corporation's (IFC) "Performance Standards 2"¹². As the anti-union reaction of the management carried on,

¹¹ Source withheld to ensure anonymity.

¹² In 2006, IFC developed and set new policies called Performance Standards on Social and Environmental Sustainability, which would be applied to all IFC loans and investments starting from May 2006. Among the seven components that Performance Standards envisages, Performance Standards on Labour and Working Conditions (PS2) has a special place for ensuring labour rights. The idea is that all client/borrowing companies of IFC have to follow the IFC's rules set by Performance Standards. PS2 specifically addresses rights including freedom of association, collective bargaining, non-discrimination, grievance mechanisms, and child labour etc. It is explicitly guided by ILO and UN Conventions. PS2 spells out the specific obligations of the borrowing company ensuring that its operations do not violate core labour standards. It also foresees monitoring and

ChemUnion/T submitted a complaint letter to the IFC in 2008. At the same time, it communicated with the ICEM and Global Unions Washington Office to inform them and ask for their collaboration. During this process, ChemUnion/T received a strong support from ICEM. After ample correspondence, the complaint case of ChemUnion/T on AutoSupplier2 was regarded by the CAO (Office of Compliance Advisor), the ombudsman body of the IFC, as an eligible case and the monitoring mechanism then started. A roundtable meeting was organized in November 2008 in İstanbul with the participation of the representative of the CAO and a mediator appointed by the CAO, and ChemUnion/T.

During the monitoring process, IFC worked closely with the AutoSupplier2 to bring the company's HR management system in line with the clauses of the PS2. AutoSupplier2 responded positively and revised its HR policy in 2010 in line with the IFC's PS2 standards, which are now an integral part of the HR management. In this regard, the company took certain steps to strengthen the new HR policy, particularly at its largest plant. Among the most significant ones are:

- election of workers' representatives;
- establishment of the Committee for Strengthening Social Dialogue (CSSD), which comprises of 60 workers;
- establishment of the Advisory Committee, composed of 10 workers selected from among the members of the Social Dialogue Committee (SDC); and
- establishment of the Social Performance Team within the SDC, which is mainly responsible for monitoring the application of PS2 standards.

Members of the CSSD were trained by the IFC on the PS2 standards and their rights. The management also developed a grievance mechanism through which workers can submit their complaints. Establishment of this mechanism is one of the results of the agreement reached between the IFC and the company regarding the application of PS2 standards.

The representative of AutoSupplier2 argues that "Freedom of association is a right. The workers will decide whether to enjoy this right or not. We do not tell them to organize or not to organize. Therefore, if they want to organize they are free to do so. If not, they do not. Nevertheless, we wanted to provide a model for them [...]. We said that social dialogue is an alternative way to manage industrial relations. They could at least have this. Therefore, we have created the social dialogue platform"¹³. Therefore, AutoSupplier2 believes that "this is a company where social rights are provided as much as in the unionized companies. Workers receive premiums four times a year. [...] There is no discrimination based upon union membership. Over-time work is fully paid. Therefore, all social rights are fully respected here. I do not see any shortcomings. I had worked also in a unionized company and I know what it is like working with trade unions. [...] Some things can be achieved through cooperation. Regardless of being unionized, some things can be changed and some others cannot be"¹⁴. However, the union contends that some middle level managers suggested

enforcement mechanisms, which could be used by trade unions as an additional tool to support their organising activities.

¹³ Interview with the HR Director and officer of HR Department.

¹⁴ Interview with the HR Director and officer of HR Department.

workers that “there is no need to include a third party in our internal discussions as our company fully protects the workers’ rights”¹⁵. Although the IFC intervention worked out well and the PS2 standards brought a new system to the company, ChemUnion/T argues that the management keeps its anti-union attitude and works its way towards non-unionisation though slowly.

In its organising efforts in AutoSupplier2, the ChemUnion/T followed a successful strategy that eventually brought it to the current situation. This strategy comprises three interconnected stages:

- a. *Organizing locally*: The union opened a branch office in the rural province where anti-union attitude is commonplace. It also recruited a former union organizer who knows the local conditions very well. Moreover, the union held meetings with workers to inform them about their rights and raise awareness about union activities.
- b. *Organizing nationally*: ChemUnion/T initiated a special organizing campaign at the national level, called “be a union member”, which is particularly promoted in the same district. The union met with local authorities including the municipality, other unions, and the local NGOs to introduce their campaign and seek their support. It even used billboards right in front of the plant to give clear message to workers about becoming a union member.
- c. *Organizing internationally*: ChemUnion/T initiated the international complaint procedures using the IFC’s performance standards for the first time in Turkey. As a result of this initiation and the IFC’s positive reaction to the complaints, the company was impelled to revise its HR management system and build social dialogue mechanisms to protect the core rights of labour. Although the monitoring process took a long time and the union faced difficulties in solving the urgent matters through the IFC’s enforcement mechanism, ChemUnion/T believes that employing IFC’s international procedure provided novel ways to support their local activities and helped them analyze how to campaign internationally. It managed to mobilize not only GUFs (i.e. ICEM and IMF) but also other national unions in Germany and the USA as well as some European works councils.

Role of the GUF in the local implementation of IFA

As indicated above, MetalUnion/T is largely isolated from the international union cooperation and solidarity, hence was not aware of the IFAs. Accordingly, neither the local union nor the GUF has any role in the implementation of the IFA in the MetalCorp/T. This rather unusual case where the active union in the company is not a member of the GUF with which the TNC had signed the IFA puts forward important questions on how to assess the role of the GUF in the local implementation of the IFA.

AutoSupplier1 can be stated as one of the rare examples of a successful struggle for unionization in Turkey that came as a result of a strong international solidarity. The international relations expert of MetalSuppUnion/T argues that the success of such campaigns depends on, among others¹⁶:

¹⁵ Interview with the collective bargaining expert of ChemUnion/T.

¹⁶ Interview with the international relations expert of MetalSuppUnion/T.

- strong communication channels between the national unions and the GUFs;
- commitment by national unions; and
- power of national unions, particularly in terms of the strength of their internal organisation.

MetalSuppUnion/T used an organising strategy at AutoSupplier1 that went concurrently with its international relations. So when the union started organising, it informed IMF and EMF and shared all the information necessary about the campaign and the challenges they could face. Therefore, MetalSuppUnion/T argues that the international cooperation with the GUFs and other unions is very important for a good reputation in the international labour movement arena. MetalSuppUnion/T moreover has embedded it in its national organising strategy. MetalSuppUnion/T is very much aware of the important role played by the IFAs and other international means like Works Councils in protecting labour standards at both the global and the national levels. In the long process pursued by MetalSuppUnion/T at AutoSupplier1, one could argue that the IFA signed by MetalCorp did not only play a critical role in addressing the labour related problems that workers faced but also formed a strong basis for the negotiations carried out by MetalSuppUnion/T at the national level and by IMF at the international level with AutoSupplier1 headquarters.

However, there are also certain challenges that need to be underlined. Firstly, it is about the duration of getting international solidarity support. Mobilisation of GUFs and particularly European works councils around urgent appeals might sometimes take a long time, which can result in the failure of a local campaign. The second is the coverage of IFA provisions particularly regarding the supply chains. Some IFAs do not cover supply chains, as a result of which local unions cannot use this international tool in suppliers. The third challenge is about obtaining information about operations of international companies. Sometimes, unions face difficulties in finding even about the parent company of a local supplier, a significant piece of information that would enable a local union to investigate possible international support mechanisms and the ways to use them.

The active union at AutoSupplier2, ChemUnion/T similarly has good international connections and pursues has solid relations with the GUF ICEM, including well-established communication channels. The local union is therefore duly aware of the IFAs and their importance for improving the labour standards locally. However, as underlined before, attempts of the ChemUnion/T to use the IFA signed between IMF and a major automobile producer did not succeed due to various communication problems between ChemUnion/T, ICEM and IMF. Although ChemUnion/T could not make full use of the IFAs as a supplementary tool in the AutoSupplier2 case, as a result of its successful experience with the IFC's enforcement mechanism, it now works on new strategies that combine local needs with international mechanisms. In particular, it plans to develop ways to make better use of IFAs, and to improve relations with works councils and the GUFs. Obviously, these efforts are to integrate the international mechanisms with the local strategies for organizing in difficult companies. Recently, ChemUnion/T initiated an international call for solidarity with the help of ICEM and received strong support from IMF and unions especially from Germany and the USA affiliated with IMF, which sent protest letters to AutoSupplier2.

Discussion and Conclusion

We aim to understand more about implementation of TNCs' corporate policies in local subsidiaries through a recent and significantly different central policy in industrial relations, namely IFAs. It is evident that the role played by international and national actors is of utmost significance. At the international level, major actors are the TNC headquarters and GUFs. However, international actors such as GUFs cannot take on a significant role in implementation at the local level unless they have contact and relations with national unions. As the case of non-affiliated national union with the GUFs shows that lack of close collaboration with international actors can present a barrier for implementation. At the national level, there are subsidiary managements, trade unions, and local JV partners, where applicable. It is argued that the effectiveness of global agreements is contingent on local factors: the role of local context in building local-global institutions for monitoring and implementation of industrial relations has a special importance (Davies et al. 2011:125). The reporting of IFA infringements is largely reliant on a local trade union presence, however, so far, 'only a handful' of unions have actively used IFAs (Hellmann, 2006:4). However, the cases of AutoSupplier1 and AuroSupplier2 present good examples of the crucial role that local trade unions can play in implementing the IFAs. Both ChemUnion/T and MetalSuppUnion/T initiated global campaigns in close cooperation with GUFs and used the global tools to support their local unionisation efforts in which unions gained successful results.

Another factor is the (un)willingness of the headquarters for the transfer of the policy to the subsidiary and/or to suppliers: when the former does not 'push' or formally communicate the policy for its implementation and monitoring, then the subsidiary and/or management remains ignorant about this policy. This particularly applies to the cases of AutoSupplier1 and AuroSupplier2. Although these suppliers did not sign an IFA, their international clients have IFAs which are also valid at the supplier level. As the suppliers have the responsibility to follow and implement the provisions of IFAs signed by major clients, the local unions used the IFAs to support their organising at supplier level. On the other hand, MetalCorp/T case underlines the role that the headquarter can play in setting common policies in line with global tools such as Global Compact and IFAs and implementing these tools at both international and national level.

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ANNEX:

Case company	Sector	Union existence (yes/no) / Name	Ownership structure	No of employees	Global Union Federation	Total no of interviews	Total no of interviewees
MetalCorp/T	Metal (bus & truck production / sales)	Yes / MetalUnion/T	Joint-venture (majority foreign partner)	7,100	IMF (no affiliation)	6	8
AutoSupplier1	Metal (automobile supply industry)	Yes / MetalSuppUnion /T	Wholly-owned subsidiary	940	IMF	3	3
AutoSupplier2	Chemicals (automobile supply industry)	<i>still in process</i> / ChemUnion/T	Wholly-owned subsidiary	3,740	ICEM	4	6

Table 1 - Case study companies

IMF: International Metalworkers' Federation (<http://www.imfmetal.org/>)

ICEM: International Federation of Chemical, Energy, Mine and General Workers' Unions (<http://www.icem.org/en/>)

	MetalCorp/T	AutoSupplier1	AutoSupplier2
Does the local company know about IFA?	Yes	No	No
Does the local union know about IFA?	No	Yes	Yes
IFA implementation?	Yes	Yes	No (another supplementary tool (IFC/PS2) was implemented)
Evidence for (non-) implementation	<ul style="list-style-type: none"> - Unionisation - Collective bargaining & agreement - Good working conditions - Satisfactory wages & benefits - Compliance with other ILO labor standards - Very positive labour/union - management relations 	<ul style="list-style-type: none"> - Implementation through newly won unionization - A protocol b/w management & union - Change in workplace relations - Recognition for collective bargaining 	<ul style="list-style-type: none"> - Change in workplace relations through newly established committees (Committee of Strengthening Social Dialogue; Advisory Committee; Social Performance Team; & workers representatives) - Revision of HR policy in line with ILO norms
The Role of GUFs	- No involvement	- Active involvement through initiating negotiations with the management	- Active involvement through supporting local activities

Table 2 - Summary of case study findings